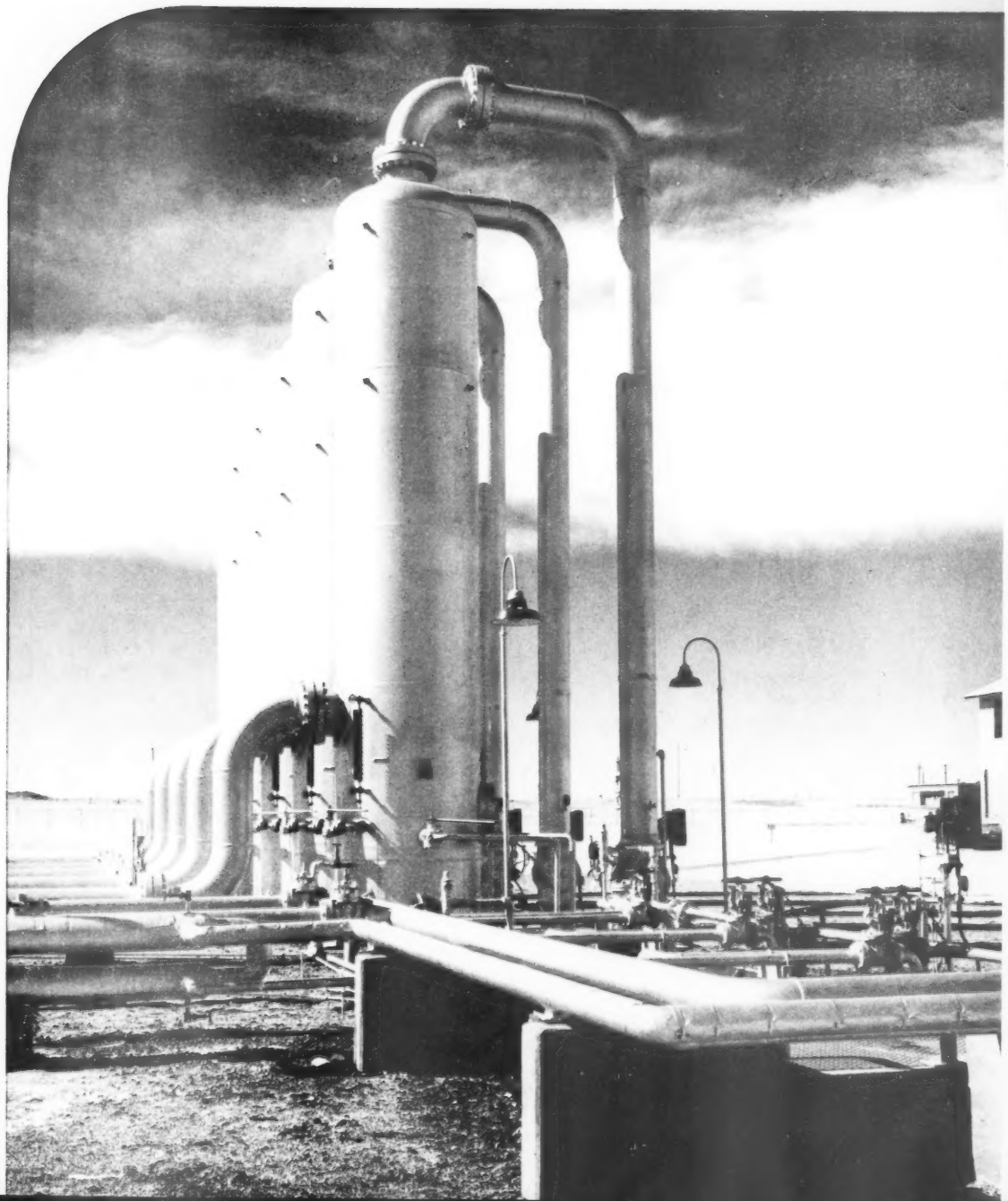
AMERICAN GAS ASSOCIATION



OVEMBER
1952

Nature was working for you...a billion years ago

Age-old natural gas—changed beyond recognition by the hand of science—is in nearly everything that's new today

Geologists tell us that centuries ago mountains rose and crumbled . . . oceans formed and disappeared . . . and great masses of plant and animal life were buried under layers of earth, rock, and water. Gradually, chemical reactions changed that buried matter into oil and natural gas.

IT IS IMPORTANT TO ALL OF US—Natural gas came into its own within the lifetime of many of us. Its great importance began when scientists learned to separate and use its parts. Out of this work in the field of petro-chemistry came "Prestone" anti-freeze, the all-winter type that took the worry out of cold weather driving. Then there are today's plastics. Some are so soft and pliable that they make beautiful, long-lasting curtains and drapes for your home. Others are so tough and enduring that they are used to protect the bottoms of ocean liners. Natural gas products are important ingredients in nearly all of them.

FROM ANTI-FREEZE TO FUEL—Wherever you turn, there's something that's been made better by the magic touch of chemistry. It brings you many of today's life-saving wonder drugs . . . man-made fibers for exciting new textiles . . . hundreds of useful chemicals . . . and also "Pyrofax" gas, the modern bottled gas for home, farm, and industry.

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DYNEL TEXTILE FIBERS • BAKELITE, KRENE, and VINYLITE Plastics • LINDE Oxygen • SYNTHETIC ORGANIC CHEMICALS

The wonder of natural gas—both as a fuel and as a chemical resource—is cited by Union Carbide and Carbon Corporation in an ad in Saturday Evening Post, October 4, 1952, and other leading consumer and business magazines

Scrubbers, at Pacific Gas and Electric Co.'s Hinkley Compressor Station on the Mojave Desert, Southern California

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HISTORY is replete with instances of companies, whole industries and even nations that decided to relax and coast on the impetus gained during a spectacular rise to success. All too late, each of them realized that such tactics lead not to a plateau, but rather to a down-hill slope.

"Every mountain climber knows that when a summit is reached, there's still plenty of danger," said retiring A. G. A. President Charles E. Bennett, before the 34th Annual Convention. "It's not easy to reach the top, and merely to stay there requires skill, experience, determination and hard work."

Gas utility managements must not allow their recent spectacular gains to blind them to the ever-present competition they face. Nor must they ignore the changing economic, political and social conditions that could threaten the future progress of the industry.

Comprehensive, wholehearted promotion of the use of gas and of gas appliances can maintain the industry in its present excellent condition, and carry it onward to even higher pinnacles of success.

JAMES M. BEALL
DIRECTOR, PUBLIC INFORMATION
LAURANCE C. MESSICK
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Standing on the summit of a spectacular success, the gas industry must be more vigilant than ever to meet and conquer the growing competition

Gas faces its greatest challenge

By CHARLES E. BENNETT

President
American Gas Association, and
President
The Manufacturers Light Heat Company
Pittsburgh, Pennsylvania

Today the gas industry in the United States is facing the most serious challenge in its history. Though the industry is entirely capable of meeting this challenge, recognition of this situation is imperative. Very significant years lie ahead.

We have surged upward from a small and conservative local industry to one of great national importance. The eyes of the nation are upon us. We stand on a summit of public acceptance.

Where are we going? Where will we be in 1953? Have we reached the mountain top? Is our future now one of slipping and sliding down into a troubled valley on the other side? Or do the misty clouds of international tension and our domestic insecurity shroud an even brighter future for us on still higher peaks of progress?

The general condition of the gas industry at the present time is excellent. But, our achievements in recent years have made us most vulnerable. Every leader is vulnerable. We are no exception. Gales of competition swirl around us. Competition for steel, for manpower, for increased rates, for the investment dollar, is not relaxing. Great competition surrounds the sale of our fuel, its appliances and its related equipment.

Abridged version of an address before the opening session of the A.G.A. Convention, Atlantic City, October 27-30, 1952.

As an industry already experiencing the heavy load of regulation we are threatened with even more regulation in the future. Because of that regulation by numerous governmental bodies, we face a "squeeze play" across the land between runaway costs of doing business and an inevitable lag in the granting of permission for urgently needed higher rates.

The great growth in public acceptance of natural gas has created some confusion in thinking. On all sides we hear and read about the natural gas industry. The production, transmission and distribution of natural gas has become a synonym for the nation's gas industry.

With full recognition of the accomplishments of the manufactured and liquefied petroleum gas business, it is quite evident that as natural gas has soared into public acceptance, much has been gained by the entire gas industry. So too, any troubles, problems or difficulties in natural gas operations can adversely affect the industry as a whole.

But, today the nation's gas industry is booming. A few months ago *Life* magazine in a 14-page feature story said of natural gas, "The clean, pure fuel has now come into its own as a vital natural resource and the industry that supplies it has become the fastest growing in the United States."

Business Week looked at our industry and termed it, "one of America's big growth industries." In guessing what business might be like in 1962, it said, "Natural gas sales almost doubled between 1946 and 1951; they could again double, perhaps triple, in the next ten years. Gas will fill an increasing share of the nation's fuel needs at the expense of coal and oil."

Deduct the mobile uses of fuels by railroads, planes, trucks and the like and make a comparison on the stationary, competitive energy requirements of the United States and we find

that natural gas is today supplying well over one-quarter of the total.

This widespread growth and development is again indicated if we take a look at a few of our industry statistics. Total gas industry operating revenues have increased 22.6 percent in the last 18 months. Long term capital financing by straight operating gas utilities and pipelines is up more than twenty percent since 1950. It is contemplated that 5.6 billion dollars will be spent for new construction in the next 5 years. Utility sales of gas rose 8.8 percent in the last year. Customers receiving gas service increased 4.2 percent in the year to nearly 26 million. Proved recoverable natural gas reserves are up 8.2 trillion feet to a new all time high of 193.8 trillion cubic feet. The annual tax burden of our industry is now 490 million dollars. Last but not least, A. G. A. now has 6,139 individual members—another all-time high.

The trend in practically everything connected with our industry is up-up-up! It is indeed the nation's fastest growing industry.

While we bask in this display of public confidence, we must never forget that success brings with it great responsibility. Now that we have planted ourselves in the thinking and life of the American public, will we perform as the public has been led to think we can? Will we perform as the public expects? Where will we be in 1953, and 1958, and 1963?

Our industry has the greatest opportunity in its history to continue its phenomenal progress, if we recognize the danger signals. If we are willing to accept the responsibilities of our progress. If we maintain and improve our much needed public relations. If we strengthen our earnings position. If we plan intelligently and well in advance to meet each new problem. If we develop a co-ordinated procedure that will further unite the entire industry as a cooperative, dynamic enterprise. If we maintain our position of free enterprise leadership. If we rededicate ourselves to the true ideals of service. If we build our American Gas Association into an even stronger trade association than it is today.

A. G. A. is a somewhat different type of trade association from most others in the country. It does not speak *for* members—it *is* members—speaking for their own industry. Today, A. G. A. is a vast network of men and women working on definite programs and bound together in more than three hundred committees for the study and solution of the industry's innumerable problems.

The devotion of the members of 306 committees in working out a free interchange of ideas, policies, opinions and practices has been a bulwark of strength to the industry as a whole.

Tailor committees to need

These committees have not been inactive during our recent years of expansion. As new problems were created by our growth, new committees and sub-committees were formed to meet the challenge. Guided by a competent and conscientious professional staff, these committee men and women were able to keep A. G. A. a vital force in the gas industry, in American industry, and in the nation's economic life.

Of course, when men and women hold membership in more than 300 committees in an industry, there's a great deal of time devoted to discussing industry problems with others who share these problems. But from the viewpoint of public relations, we must not become so interested in talking over our problems with fellow gas men, that we forget to talk enough about ourselves with prospects, our customers, and the public in general.

Our relations with gas men in foreign countries is important. At the Triennial meeting of the International Gas Union, Brussels, June 16 to 19, many European gas men asked if they could be afforded the opportunity of repaying the kindnesses accorded them in this country. They want to entertain gas men from the United States. There's much of interest and benefit to be gained by a study of gas operations in those countries. A tour of the European gas industry by a representative team of United States gas men is worthy of study, planning and execution in the very near future.

A review of the work of more than 300 A. G. A. committees since the last annual meeting is out of the question. It is impossible to convey to you all the good that has been done, and the gains made. Only a sampling is possible.

In mid-November, A. G. A. will start operating under a new constitution and by-laws prepared by a special committee. An overwhelming majority of members approved this forward step. Through it we are assured of a sound legal basis for Association operations by the establishment of a board of directors of unimpeachable legal status. It will officially represent the entire industry and will have the appropriate authority. The revised constitution also does a streamlining job, a notable example being the consolidation of the natural gas and manufactured gas departments.

PAR justifies support

Almost every A. G. A. member has some acquaintance with the PAR Plan. It has been a great success. Despite the diminishing purchasing power of the dollar, generous subscriptions have poured in to support this important activity. Subscription quota for 1952 is $2,058,500 and up to October 1, 1952, $1,977,493 has been received.

Under Promotion, the "P" of PAR, we have not had sufficient funds to keep pace with the staggering amounts spent by the electric industry. But we have had nine well planned and efficiently executed merchandising campaigns for our appliances.

There is soon to be available to gas utilities a good sales training program that will encourage the development of successful utility-dealer programs.

The "A" of PAR is Advertising. Our national advertising program is financed by PAR. It has utilized the most powerful consumer magazines and the leading publications in the business paper field this year to carry to the American public the story of residential gas service and appliances, and industrial and commercial gas utilization and equipment.

Under "R" for Research, there are now underway some 45 research projects in the technical fields of utilization, production and transmission. However, A. G. A. research should be considerably expanded. This year the research program will cost some $700,000. This is only one-fifth of one percent of the gas industry net revenue for 1951. It would be most beneficial if that budget could be materially increased.

There seems to be a lag in utilizing the results of some of our domestic research. It is imperative that serious consideration be given to a means of condensing the route between the research laboratory and the development laboratory.

On the first day of this year we obtained the first patents on PAR-supported research. Two patents were allowed on the

Hall High-BTU Oil Gas Process. The research project cost under $100,000. Some 22 sets employing this process are now in service. They are saving fuel oil expenditures that annually amount to more than the yearly cost of our entire Gas Production Research Program.

One of the most valuable forms of promotion—because it is a great producer of good will for the gas industry—is our home service program. Meeting approximately 10 million women each year, our home service staffs are alert to the times. Live commercials and blue flame demonstrations are being presented on television, and many programs are being directed to that considerable group of young married women who carry on the double job of earning a living and keeping house.

We've had an increase in appliance testing since the start of the year and Laboratories operations approach the all-time peak established in 1950. Enlarged and improved facilities afforded by the new building in Cleveland have been of great assistance and have partially eased our most serious problem of retaining qualified personnel. Frequent inspections at the plants of manufacturers indicate high standards of safety and performance are being maintained. Gas appliance and equipment manufacturers are to be commended for their excellent cooperation and their consistent desire to keep quality high, despite material shortages and other production difficulties.

Manufacturers, through the Gas Appliance Manufacturers Association, have worked very closely all year with us of A. G. A. Certainly the desire to expand this cooperation is mutual. The official boards of GAMA and A. G. A. are even now engaged in a joint comprehensive study of mutual problems for the purpose of developing a coordinated, aggressive and effective solution. GAMA is doing excellent work for the gas industry. Individual members of GAMA, and the group itself, are to be commended for their devotion to the cause of finding the best possible solution to never-ending problems within the industry.

One phase of our business which is only beginning to get the industry's attention that it deserves, is the industrial and commercial gas load. This load accounts for nearly 40 percent of the total gas industry revenue. Revenues from industrial and commercial gas have increased 16.4 and 10.3 percent respectively, according to the latest 12-month figures available.

But there's a definite reaction today to the past curtailments of industrial gas. This is a situation that unfortunately cannot be corrected overnight. A committee is studying the prob-

(Continued on page 36)

A.G.A. constitution and by-laws streamlined

An overwhelming majority of its members has approved revisions of the constitution and by-laws of the American Gas Association. The new constitution and by-laws, which removes ambiguous and outmoded requirements of the old one, will become effective two weeks after the adjournment of the A. G. A. annual meeting in Atlantic City, N. J., on October 30th.

Changes in the new document include the repeal of separate by-laws with the essential provisions of the former by-laws becoming part of the new constitution and by-laws. Objects of the Association have been reduced from 9 to 7. Membership classes of A. G. A. have been re-defined for clarity.

Among the principal provisions of the revised constitution and by-laws is the elimination of the Manufactured Gas and Natural Gas Departments of A. G. A. The growing development of natural gas long distance transmission has minimized the need for separate departments. The Association will continue to sponsor activities of a specific interest to members of both manufactured gas and natural gas companies. The Manufacturers' Section of A. G. A. also is eliminated since it has existed in name only since the Gas Appliance Manufacturers Association was formed.

A new section known as the General Management Section is established to deal with matters of a management nature other than accounting, operating and sales promotional matters. Responsibility for a number of committees will be delegated by the Board of Directors to a section chairman and vice-chairman of the new section.

Four principal and existing committees are provided for, namely: the General Nominating Committee, which will have nine members instead of six as heretofore; the Finance Committee; the Laboratories Managing Committee; and the Promotion, Advertising and Research (PAR) Committee. The Publicity and Advertising Committee is eliminated as a general committee, and will be designated as a special committee or a committee under the General Management Section.

The president, with the consent of the Board of Directors, still may appoint other general or special committees of the Association. Where any committee has to do with the raising and administering of substantial funds, such committee shall have the same status and kind of duties and responsibilities as the PAR Committee.

The Board of Directors will comprise 35 elected members including the elected officers and the past president. The Board of Directors can invite chairmen to attend its meetings, so that the board may continue to have the advice of the heads of sections and committees charged with the handling of finances and funds of the Association. Election and termination of memberships become the function of the Board of Directors. Rates of membership dues and special assessments now will be fixed by a concurring vote of a majority of the Board of Directors.

The Advisory Council will consist of 40 members appointed by the Board of Directors. Membership on the council no longer is limited to past members of the Executive Board.

The new constitution and by-laws represents the result of two and one-half years work on the part of a committee headed by Eskil I. Bjork, president of The Peoples Gas Light & Coke Co., Chicago. Suggestions and criticisms were requested and received from many executives in the industry, from the Executive Board and the Executive Committee, from chairmen of sections and committees. The Association is deeply indebted to all who contributed so generously of their time and attention in effecting the new constitution and by-laws of the American Gas Association.

The 1951 annual report of the Portland Gas & Coke Co., Portland, Oregon, was adjudged the best among gas utilities

Panhandle Eastern Pipeline Corp., Kansas City, Mo., published the report that was selected as the best among all utilities

Gas report leads among all utilities

The best 1951 annual report among all utilities was published by Panhandle Eastern Pipeline Corp., Kansas City, Missouri. Such was the consensus of an independent board of judges for *Financial World* magazine's annual survey of financial reports. The decision carries with it the silver Oscar of the utility division, and places Panhandle's report in the running for the top level gold Oscar, awarded for the report which is adjudged the best among the six divisional winners.

Portland (Oregon) Gas & Coke Co. was the winner of the bronze Oscar among the gas utilities. Second place citation in this group was won by Consolidated Natural Gas Co., New York, the bronze Oscar winner in the previous year's survey. Third place citation among gas utilities went to National Fuel Gas Co. of New York.

No stranger to the "winner's circle," Panhandle Eastern won a bronze Oscar in the natural gas section for its 1948 report and took third place the following year in the then newly created pipeline section. Its 1950 report was adjudged best—bronze Oscar winner—in the pipeline section.

To be placed in consideration for the silver Oscar of the utility division, Panhandle Eastern first won the bronze Oscar for the best annual report by pipeline companies. A citation for second place in the pipeline section was awarded to Tennessee Gas Transmission Co., which had won third place citation the previous year. Texas-Eastern Transmission Corp. was the winner of the third place citation for its 1951 report.

A total of 1,658 industrial corporations and financial institutions are being honored this year by *Financial World* for producing outstandingly informative annual reports. This compares with 1,521 reports cited a year ago, and marks a new high in the history of the surveys. In this, its twelfth annual competition, more than 5,000 annual reports were submitted and considered.

Cite combination utilities

Among the combination utilities serving gas, first (bronze Oscar), second (citation) and third (citation) place awards were made to:

Eastern Division: Philadelphia (Pa.) Electric Co. (bronze Oscar); Consolidated Edison Co. of N. Y., New York; and Rochester (N. Y.) Gas & Electric Corporation.

Midwestern Division: Dayton (Ohio) Power & Light Co. (bronze Oscar); and Consumers Power Co., Jackson, Michigan, Union Electric Co. of Missouri, St. Louis.

Southern Division: Virginia Electric & Power Co., Richmond (bronze Oscar).

Southwestern Division: San Diego (Calif.) Gas & Electric Co. (bronze Oscar); Arizona Public Service Co., Phoenix, and Gulf States Utility Company, Beaumont, Texas.

Western Division: Pacific Gas & Electric Co., San Francisco (bronze Oscar); and Idaho Power Co., Boise.

Canadian Division: British Columbia Power Corp., Vancouver, B. C. (bronze Oscar). Nova Scotia Light & Power Co., Halifax.

In addition to the first, second and third place winners, the following gas utility and pipeline companies received merit award citations for the excellence of their reports.

Gas utilities: Arizona Public Service, Arkansas Western Gas Co., and Atlantic Gas Light Company.

The Brooklyn Union Gas Co., California-Pacific Utilities Co., Central Hudson Gas & Electric Corp., and Central Illinois Light Company. Central Illinois Public Service Co., Central Louisiana Electric Co., and Cincinnati Gas and Electric Company.

Citizens Utilities Co., Coast Counties Gas & Electric Co., Community Public Service Co., and The Connecticut Light & Power Company. The Connecticut Power Co., Consolidated Edison Co. of N. Y., Consolidated Gas Electric Light & Power Co. of Baltimore and Consolidated Gas Utilities Corporation.

Consolidated Natural Gas Co., Con-

(Continued on page 38)

What price salesmanship?

Is the health of [illegible]iance
utilities? Must the [illegible]me sa
This gas utility l[illegible]ers a

By FRANK C. SMITH

President
Houston Natural Gas Co.
Houston, Texas
and Vice-president
American Gas Association

The gas utility industry was never more vigorous. The immense increase in investment, in number of customers, in volume of gas transported and sold and the strong and growing public confidence in the gas utility industry are all evidence of the vigorous health and brilliant prospects of one of the nation's ranking industries.

And what of the health and prospects of the gas appliance manufacturing industry? In June of this year Lyle Harvey, a credible spokesman of that industry, said:

"Our objective, and we believe the utility objective also, is to upgrade the quality of gas appliances and to increase the sales volume of these appliances.

"However, we have failed miserably: Not only have we failed to accomplish this objective, but the situation has deteriorated to the point where serious consequences are probable unless prompt action is taken.

"By serious consequences, I mean the possibility of:

"(a) Many appliance manufacturers going out of the gas appliance business and/or shifting to low priced gas appliances and electric appliances;

"(b) The discontinuance of manufacturers' promotional efforts.

"These things are serious because we feel that the gas utilities cannot begin to capitalize on their opportunities unless there is a strong, active and healthy gas appliance association within the industry and closely coordinated with A. G. A.

"We talk about gas ranges and gas water heaters outselling similar electric appliances, but, if you throw out of this comparison the extremely low cost gas units that are going into many of the new homes of today, then the electric range and water heater are outselling the gas.

"As a consequence, most gas appliance manufacturers are losing money today.

"They are of the opinion that the market for gas appliances has degenerated into a price market.

"They are of the opinion that research, development, promotion and advertising does not pay.

"They are being forced to concentrate on low-priced, gas appliances and/or products of competitive fuels.

"Certainly, if an appliance manufacturer is not getting enough money for his product . . .—if his sales volume is slipping . . .—he definitely has a lot of responsibility for his position.

"On the other hand, we think the gas utilities themselves also have a responsibility.

"Most manufacturers feel that the gas companies think they are in a seller's market and don't need to take aggressive action to sell all the gas they have.

"The new construction market is being lost to cheap, inferior gas appliances or to competitive fuels.

"Frankly, we do not believe that the situation can be saved without prompt and aggressive action by each gas utility company.

"We are not particularly concerned with whether the utility actually merchandises appliances or not, providing that they see to it that enough of the right kind of appliances are sold.

"We think the utility sales managers are eager to bring this about. Consequently, we believe whatever is done to change the situation must be done at the top executive level."

The turn of events, together with our failure wholly to unite our industry, have operated to bring us to the dire necessity of this appraisal.

During World War II, throughout the early 1940's, with gas appliance manufacturing practically paralyzed under the pressure of war requirements, though few of us realize it, the gas utility industry lost its leadership in appliance sales. We, and the dealers through whom 85 percent of gas appliance sales have been made for many years, got out of practice and forgot how to sell. Pre-war the gas range and gas water heater had already suffered great inroads from their electric competitors; in 1932, 10 gas ranges to one electric; in 1940, four to one; and in 1941, three to one. During the war, appliances became scarce to the point of rarity, while manufacturers of all appli-

Abridged version of an address before a general session of the A. G. A. Convention, Atlantic City, October 27-30, 1952.

iance manufacturing industry entwined with that of gas
me sales leadership to keep gas appliance manufacturing profitable?
ers are provocative reading for top-level management

ances bent their backs to making war goods.

Then, in 1946, with the war over, civilian goods manufacture resumed; three gas ranges to one electric were sold, and our ratio was right back where we were in 1941, but not for long. Five years later the ratio stood at 1.7 to 1, including the extremely low-priced, high-service-cost gas units.

Every gas appliance manufacturer approached war's end with plans and a program for more and better product manufacture. Our nation's population increase and shifts had provided millions of additional customers to whom we utilities extended our service. For a while there were more customers than all manufacturers of electric and gas appliances could supply. This was the famous "seller's market," where sellers forgot how to sell because the buyers were so greedy for goods.

Then it was that some merchandising utilities, with no appliances to sell throughout the war, took a look at the seller's market and said, "Let the dealers have it." Then it was that some non-merchandising utilities that had supported and assisted and promoted appliance sales by dealers, post-war, felt a lesser need for such sales support, saw a chance to save some money, perhaps, slowed down and took it easy. Not all utilities slacked off; but enough did to make the difference.

And the dealers who, without utility promotion or interest in sales volume, whatever the quality, whatever the fuel, sold what would sell easiest in the face of accelerating electric appliance competition.

And so competitive appliance sales outlets increased. With trained salesmen, the gas-electric ratio drew nearer parity; and the truth is that, when cheaper and inferior gas appliances, especially in housing projects, are eliminated, we are already on the short end of the ratio!

This situation, as a possibility, was not unforeseen. In 1944 the PAR program, as we now know it, was born. Put forward by the leaders of our gas utility industry and supported by the main body of our industry, this program became the spearhead of its efforts to maintain and improve its position, research and marketwise. PAR has been continuously, though not unanimously, supported in money and effort.

If A. G. A. had never served the industry in any other capacity, its PAR activities would have more than justified its existence. PAR provided the instruments with which the industry has fought on every front. It has become indispensable; without it we would have faced this emergency long before. Let us not accuse ourselves and the leaders of our gas utility industry for lack of foresight and wise planning to meet our post-war responsibilities.

We have met these responsibilities up to the point of sale. Service has been extended to where our present customers are practically double those of 1940. Vast projects of interstate pipeline gas supply have come into life and being. Billions of dollars invested have provided means of supplying trillions of feet of gas annually. We have not failed in daring and resourcefulness. We as a utility industry, swamped with demand for gas and a thousand other problems, just forgot or failed to live up to our responsibility for leadership in gas appliance sales. It is at this crucial point that we have failed.

There has been no lack of planning, nor of promotion, by your Association. There have been fine plans and successful promotions by the appliance manufacturers, and by the Gas Appliance Manufacturers Association. A. G. A.'s Residential Section staff prepared an excellent gas appliance sales course, but few were interested in using it.

The sale of competitive electric appliances, all of high price and quality, increased enormously; but the demand still outstripped the supply of all of them, and still we didn't catch on. LP gas customers for appliances grew into millions, and that clouded the picture still more.

A satiated market became a choosy "buyer's market." Competitive advertising more than doubled, and the electric appliance industry selected and trained salesmen and servicemen by the tens of thousands. Their jobbers and distributors increased and their sales outlets multiplied. The choosy buyer had to be sold, and our competition was trained and ready to sell him.

Here and there gas utilities met the test; some rebuilt their sales forces and

attacked the markets with determination, resourcefulness and success. Others, not merchandising directly, threw their energies behind the dealers, planned with and for them, and helped them to realize the inherent advantages of gas in increasing sales of quality merchandise. Such outstanding examples, showing that it could be done, served to point up the fact that, industrywide, our average fell far below this high standard.

Gas utility leadership could provide a potential market for more than four million gas ranges a year; barely half of that number are being sold. The refrigerator market is at least four million a year, and gas refrigerators are selling a tiny fraction of it, with the going increasingly harder; and the ratio of gas water heater sales, while presently holding its own, has been on the decline. It was only yesterday, it seems, that our industry was begging for a second and competing gas refrigerator. Six months ago that prospect was bright; today, not only is that prospect gone, but the original gas refrigerator manufacturer makes and sells electric refrigerators as well.

Profits guide decisions

If you were a manufacturer, what would you do in the face of gas appliance sales ratios that were declining in spite of your utmost efforts? That's the decision the other half of our business is facing. Some have already leaped the wall in defense of stockholders' interests.

The point is this: we utilities can go on selling gas—for a time—through old and low-quality appliances; but the manufacturer has to make and sell new, quality, profitable merchandise every day, or face failure; and who is going to face failure with that green pasture just across the fence?

None of us—manufacturer or utility—is in business for his health, or for the greater glory of our ancient industry. Let us use cool common sense and realize that what is happening to our blood brother, the gas appliance manufacturing industry, is therefore happening to us, the gas utility industry; that both must be healthy, or neither can be well; that the maintenance of our markets, and therefore the safety and profit of our investment, depend in large degree upon the quality and condition and availability of the appliances which use our gas and without which not a domestic meter would click.

In 1944, and then not for the first time, and again in 1949, the gas utility industry, through its trade association, American Gas Association, acknowledged and declared that it, the utilities, accepted the responsibility of leadership for appliance sales.

Have we done the job? It is evident that, while some chief executives have, many haven't.

The handwriting on the wall, there all the time for us to see, is now so vivid that he must be blind who does not read it. Had we been able to match our competition at the point of sale, we would have fared as well as they. We have had a superior fuel; superior, trouble-free appliances to use it; but merchandising, or the lack of it, has permitted the increasing encroachment of competitive appliances to the point where the public's acceptance of them, competitive to gas, has crept up almost to parity. The pressure of this competition was never greater, nor more unremitting, than now. That pressure is applied not only in the advertising columns of national media, radio and television, but in multiplied sales outlets, with trained salesmen and servicemen by the thousands, which are strongest at the point of sale.

The gas appliance manufacturer is the fellow who has got it squarely in the neck. His turn has come before ours. He has small choice:

Either to operate at a loss, for most are now below the breaking point, just to sweat it out and hope for the best; or—

To go out of the gas appliance business and to begin the manufacture of competing appliances.

Five months ago the Executive Board of the American Gas Association invited the Executive Board of the Gas Appliance Manufacturers Association to join in conference and study of our mutual problems, an invitation never before extended by either to the other. Immediately the invitation was accepted.

Four months ago a committee of each board, each with its own chairman, met to consult together, and these problems came immediately to light as a crisis which our brother-industry is facing. Studies were proposed, with statistics to be assembled.

Three months ago those board committees met together and reviewed the information assembled. They realized the immensity of the job ahead, and task committees in each area of mutual interest and concern were appointed and began their studies. These areas were determined as public relations, upon which A. G. A. had already begun study, and on which GAMA started a program more than a year ago: marketing, appliance servicing, customer and public safety; and, finally, utilization research, appliance development, and supplementary requirements.

Last month these task committees met separately, summarized their studies, and wrote their reports. On the next day the two board committees met together, reviewed the reports, and agreed on recommendations each to its own Executive Board.

The Executive Boards of the American Gas Association and Gas Appliance Manufacturers Association are to have before them, in a matter of days, these joint recommendations. They will constitute the elements of a program of united action on those fronts of mutual concern.

Campaign is outlined

So the two branches of our great industry have come at long last to the place where we should have started. These meetings of the summer and fall of 1952 should, and must, be the chart of a route utility and manufacturer must travel together, with an unbroken line of resistance and attack.

Appliances are sold by salesmen, through sales outlets—whether those outlets are the gas companies' offices or the dealers' stores, or the prospect's doorstep. The quality of appliances sold cannot be separated from the quality and training of the salesmen. Dealers are glad, even anxious, to follow the gas company's leadership if it leads to profit. The inherent advantages and superiority of gas as a fuel can be made to overshadow by far the much-advertised magic of electricity. This magic is simply an advertiser's dream that we have permitted to become our nightmare.

And no combination gas and electric utility wants its gas property to become unprofitable. The discussion of a gas utility's profit and responsibility applies as well to the combination company.

Though gas utility sales executives readily acknowledge that sales leadership is the responsibility of the gas utility, the personal interest and direct authorization

(Continued on page 39)

The rising popularity of basementless homes has boosted the potential market for table-top type water heaters

Re-design table-top water heaters

Fig. 1. Use of multiple angled flues makes it possible to raise heat transfer area in the flue and flue capacity, without increasing heat transfer rate per unit

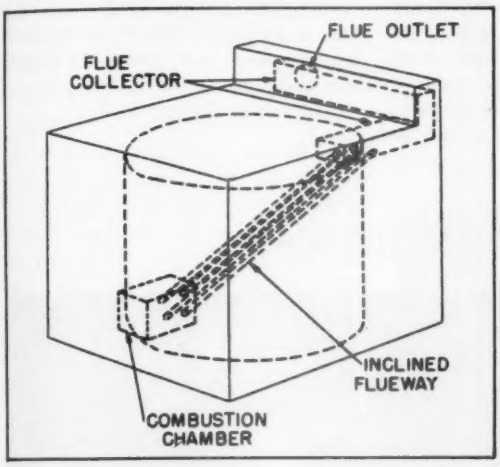
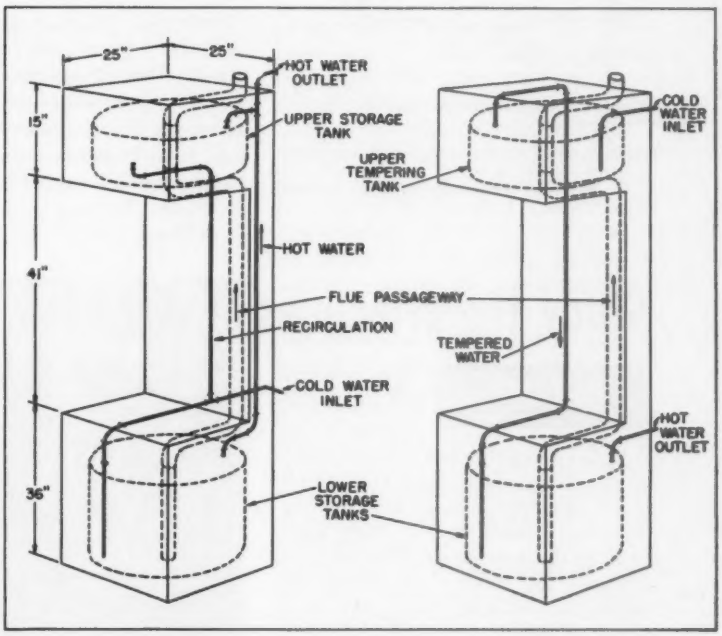


Fig. 2. Use of dual tanks may increase hot water storage capacity, or may serve as a tempering tank for cold inlet water. Delivery rate may be raised 40 percent



a PAR activity

Methods of overcoming the heating capacity limitations of gas table-top water heaters without altering external dimensions and for developing equivalent types of water heaters for installation in restricted spaces are outlined in a report by the American Gas Association Laboratories. Published as Research Report No. 1186-A,* "A Study of Table-Top Water Heaters," it summarizes results of a study conducted under the PAR program and sponsored by A.G.A. Committee on Domestic Gas Research. L. J. Kane of the Laboratories research staff is the author.

Increasing interest in small, basementless homes, in which little or no space is specifically allocated to conventional heating or water heating equipment, has expanded the potential market for table-top type water heaters. Restricted by the dimensional limitations in which they must operate, such heaters generally have limited storage tank capacities and relatively low recovery capacities. Report No. 1186-A analyzes these limitations and classifies the possible methods for overcoming them in one of two categories. These are (1) alteration of contemporary table-top designs while retaining present outside dimensional limitations, and (2) use of equivalent types, for installation in kitchen or other work spaces where space is restricted, without retaining the dimensional characteristics of present designs.

By use of multiple angled flues such as shown in Figure 1, increased input rates may be employed. Total heat transfer area in the flue and the flue capacity thus would be considerably increased without increasing the heat transfer rate per unit area. Means of overcoming flue collector difficulties may be found by venting into the corner of the heater where greater space is available.

* Research Report No. 1186-A, "A Study of Table-Top Water Heaters," may be obtained from the A.G.A. Laboratories, at 75 cents per copy.

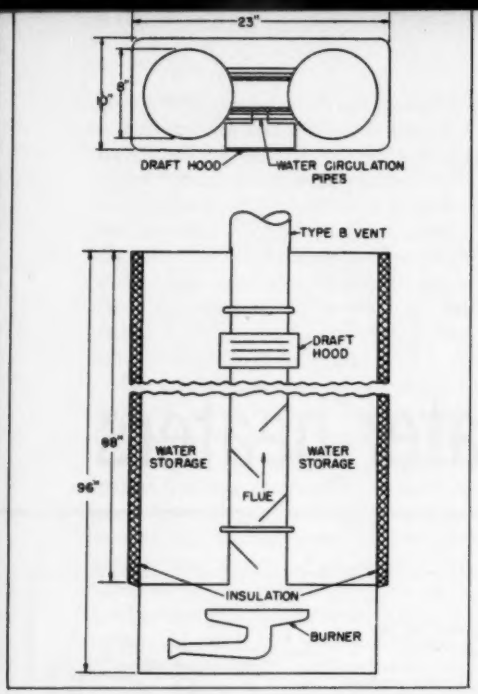


Fig. 3. Installation of an in-a-wall water heater, in the manner of vented recessed room heaters, may solve some problems of limited space

Further suggested possibilities for increasing heat recovery speed include improving venting capacity by use of forced venting or the employment of a combination of an internal flue and floater tank construction with diving flue and fan at outlet. By devising means to improve heat transfer and the removal of large quantities of flue products, it is conceivable that a fast recovery table-top water heater of high input rate could be produced.

Water storage capacity may be increased by employing dual storage tanks, similar to the method shown in Figure 2. This offers a means to augment the hot water storage or to serve as a tempering tank for the cold inlet water. This construction might raise the hot water delivery of present table-top water heaters by about 40 percent. It would also introduce possibilities for increasing the input rate to the heater because of the added height and heat transfer area.

An in-a-wall water heater, shown in Figure 3, for installation in a manner similar to vented recessed room heaters, may be a possibility for limited space conditions. Two pipes of eight inches diameter, each 88 inches long would provide a storage capacity of about 39 gallons. With a gas input rate of 50,000 Btu per hour, a hot water delivery 63 percent higher than that now available from a conventional table-top water heater would be indicated.

Thus the possibilities of increased gas input, increased storage capacity, forced venting and configuration changes appear to offer promise in appliance design.

Analysis of the economic feasibility of the various designs discussed were beyond the scope of the present study. However, the results point to definite advantages to the gas industry in making available a water heater of high recovery capacity sufficient for small homes containing automatic laundry and dish washing equipment and suitable for installation under conditions similar to those of contemporary table-top designs.

Study the principles of gas oven performance

a PAR activity

An extensive study is underway at the A.G.A. Laboratories seeking to delineate design fundamentals which may contribute to improved oven cookery and promote cooler kitchens. The study, sponsored by the Association's Committee on Domestic Gas Research as Project No. DGR-11-C, includes design factors affecting secondary air supply to oven burners, location and size of flue outlet, heat distribution and burner location, together with finding possible means to reduce heat losses and heat applied.

A preliminary report, No. 1182, was published by the Laboratories in February and showed the quantities of radiated and convected heat absorbed by layers of cake in typical contemporary ovens.

The photograph was taken during initial tests with single layer cakes, pumpkin pies and buttermilk biscuits baked in a completely instrumented experimental oven. Designed by the Laboratories staff under supervision of Mrs. W. C. Anderson, Laboratories home economist and research engineer, the oven is being used as one means of evaluating performance with changes in design.

Premium quality baked goods resulted from preliminary tests of an instrumented experimental oven used in A.G.A. Laboratories research study of oven design factors. During initial tests, single layer cakes, pumpkin pies and buttermilk biscuits were baked under the supervision of Mrs. W. C. Anderson, Laboratories home economist and research engineer. Tests will evaluate performance of various design changes

With only 140-150 Btu needed to bake a single layer cake, the research study is aimed at determining what actually happens during baking processes, how to utilize oven heat effectively, and thereby evaluate possibilities for reducing heat, moisture and cooking odors released from ovens. The satisfactory development of the design factors will contribute to advancing the technique of oven design and elevate still further the high standard of performance of contemporary ovens.

Encouraged into the business world by home labor saving devices and economic need, women have proved able workers

Woman's place in management

By VERA GREEN

Assistant Treasurer and Secretary
Botwinik Bros. of Mass., Inc.
Worcester, Mass.

Business, as a whole, whether we manufacture products or sell services, is going to be visibly affected by the phenomenal increase in the number of working women, and their accelerating purchasing power. Experts tell us that even the buying habits of these women, being radically different from those of the housewife, will completely revolutionize marketing and distribution methods! More and more, those of us in business will be working with women, as associates, as consumers, as producers.

Doesn't it then behoove all of us to try to understand this new factor in our business lives?

These women can be divided into seven groups, based on census figures taken by the U. S. government.

1. There is the unmarried younger woman usually under 25 years of age—who is working in the expectation of marriage which will allow her to withdraw from the labor market.

2. There is the self-elected career woman, sometimes married, sometimes not, sometimes combining her work with motherhood, sometimes not.

3. There is the single woman over 25, who continues to work through life, usually from necessity, because marriage has not come her way.

4. There is the childless married woman who works for various reasons.

5. There is the married woman with young children up to 15 or 16, who usually avoids leaving home to work if income can be otherwise supplied.

6. There is the married mother with grown children, who is no longer needed at home, but who wants to keep busy and to attain a sense of personal fulfillment. This woman is fast becoming, and satisfactorily so, one of our main sources of today's womanpower.

Tracing and analysing the rising importance of women in business, Vera Green calls for a more equable understanding of their worth

7. There is the widowed or divorced mother, who, whatever the age of her children, is forced by economic necessity to continue indefinitely in the labor market.

Almost all of these women work from economic necessity. Even for married women, the high cost of living today has made it nearly impossible to do otherwise. Recently a dean of women in one of our well-known colleges said, "Marriage can no longer be counted on to provide financial security. The trend is in the direction of a partnership where each is obliged to contribute economically."

Women, married or single, have always worked and worked hard. The young girl in the family of 30 or 40 years ago, when she left school, was a productive worker at home, in that she helped with the canning, the sewing, the baking, the washing, and all those things that are done in factories today. The girl really had a job at home. The idea that girls stayed home and were supported by their fathers and brothers had no basis in reality. When a girl was married and moved into her own home she worked even harder. And in so doing she made a definite economic contribution to her home and family.

But, as science progressed, women's work was transferred out of the home and into the factory, the laundry, the mill and the office. People have complained about the competition of women workers in the labor market in the past. It's about time they realize that women have not gone out and taken away jobs that were formerly men's, but that they merely followed into the public place of work, the job which had been performed at home.

Most women work because their earnings are essential to themselves and to the livelihood of their families. Regardless of other reasons, this is the primary one. Therefore in hiring women, we should set aside sex, we should disregard any thought of a needs test, and think instead of terms of "Can this worker do the job?" That's the important part; and you know they've never

Abridged version of an address before an Accounting Section session at the A. G. A. Convention, Atlantic City, October 27-30, 1952.

yet invented a machine that could determine the gender of its operator.

One of the greatest arguments advanced against the up-training of women for managerial positions has been their supposed instability. But of the seven groups of women who work only two actually can be considered unstable—the unmarried young woman under 25, who hopes to get married and to quit work, and the married woman with children under 15 or 16, who hopes to stop working as soon as her income can be supplied by another source, either through her husband's earnings, or a drop in the cost of living. That leaves five groups of women to hold jobs on a permanent basis; five groups representing the majority of our womanpower resources today. The solution to the question of stability in women workers lies in the judgment of the office manager or the personnel director at the time of hiring, and at the time of upgrading women employees. It is essentially a matter of selection. It is a matter of obtaining full information regarding background, regarding the applicant's aims and purposes and desires in life. It is a matter of deciding to which group of women the applicant belongs: the first two or the second five, the temporary or the permanent.

No alert office manager would or should select for a key job, or for up-training, a girl who is obviously marriageable material, in wish and in intent, and who possesses no vestige of career aspirations whatsoever. Such a girl should be hired into a job where she can be readily replaced, so that when she does decide to leave, there won't be moaning and groaning and gnashing of teeth about the instability of all women employees!

For the young woman applicant who might also be obvious marriageable material, but who has her eye on a career, and can probably combine both, by all means give her the opportunity she wants.

We can probably all remember the time when companies simply did not like to hire married women. But today 93 percent of our employers have the welcome mat out for married women and a good number prefer them.

And actually more working women are married than single. Of the approximately 20 million women in the labor force today, about 55 percent of them are married, 16 percent widowed or divorced, and only 29 percent are single. Of these working marriages, only two percent end in divorce, as against six percent or seven percent of the other marriages. It is generally conceded that working wives are happier, too, whether they are working at jobs, or at some other outside activity, as long as it is a healthy interest outside the home.

Husbands, who tie their wives down and discourage them from seeking normal outlets of self-expression outside the home, are as guilty of wrongdoing as doting misguided mothers who tie their children to their apron strings throughout their adult lives. If a woman can work—and wants to—she should be given the opportunity; the prerogative should be hers.

Not long ago the head of the Massachusetts Division of Employment Security said, "Women will match a man on dexterity, mental ability, and production. The only problem involved is on plain physical strength." But Dorothy Kenyon, a former municipal court judge in Manhattan said not long ago concerning women's strength, "Women are just as strong, brainy and capable as men. They live longer, too, and could have bigger muscles if they worked on it!"

Skip sex; note ability

In a recently published article a widely known business counsellor outlined a program for manpower mobilization. He started off, "One of the greatest discoveries made in the past war was that women are able to do practically anything that men can do." If we, in business, will operate on that premise, we will have many of our personnel problems solved. Naturally, every woman isn't going to be able to do every job expected of her, but, then, neither is every man. Let's concede that individual ability is based on something besides sex. We have capable men and we have less capable men. By the same token, we have capable women, and we have less capable women. But when women are involved, their lack of capability is blamed on the fact that they are women, not ascribed as an individual failure.

Women today are educating themselves more than they ever have before, for positions in business with upgrading opportunities. Though all women have business success as their goal, the majority will never advance beyond the lowest rung of the ladder; but in proportion, doesn't the same thing apply to men? Do all men advance into supervisors and executives? Of course not. But, as women enter the higher educational institutions in greater numbers, more leadership will be developed among them. And it is this very increase in educational training for women that is enabling them to work their way into management jobs.

Up until almost 1900, few colleges were available to women. Today, there are actually more colleges open to women than to men, since apart from coeducational schools, there are 273 colleges for women only, as against 228 for men only. Nearly all of these colleges have in the past five or 10 years extended or revised their curricula to include courses to aid women in earning their own living. Indiana University's latest bulletin, which received such wide publicity in the *Ladies Home Journal*, states, "The modern world calls on every woman to play four different roles as a woman of culture and charm, an intelligent leader in a democratic world, an efficient earner in her chosen field, and the maker of a successful home." This could well be the goal of achievement for all women.

Women have taken advantage of the expansion of the educational opportunities opened to them. Last year, for instance, at the University of Wisconsin, the over-all grade point average for women was well above the average for men. And while nearly three percent of the senior women were elected to Phi Beta Kappa, only one and one-half percent of the senior men were.

But, yet, more must be done to provide even wider educational opportunities in the future. Today, as our need grows for women supervisors, for women to fill higher level jobs, we find a noticeable lack of specialized training and technical knowledge from women already on-the-job. This could be attributed to two causes: The whole idea of women specialists is new and our present working women were not alerted to this need early enough to do anything about it while in school. And second, there has been a hesitancy on the part of companies in furnishing training for women employees.

Unless something is done to rectify this situation, and soon, it is likely that we are going to be suffering from a severe shortage of office supervisors, as the business load becomes heavier, and more and more of our men are called into the

(Continued on page 37)

Gas utility financing declines

The total amount of new capital financing by straight gas utilities during the first nine months of 1952 aggregated $437 million. This total is significantly less than the sum of new issues during the calendar years of 1950 and 1951 but is already higher than the annual average during 1946-1949. If new financing occurs in the last quarter of the current year at a comparable rate, the 1952 total will approach $600 million thus representing the third highest annual amount in the history of the gas utility industry.

The decline in new financing corresponds with previous A. G. A. estimates of trends in new construction activity by gas utilities during 1952. It had previously been forecast that construction expenditures of $1.173 billion during the current year would fall 20 percent short of the total actually expended during 1951, and the decline in new financing appears to be of a generally comparable magnitude. The effects of the steel strike on gas utility construction activities was probably less adverse than in other industries, since construction activity in the gas industry is concentrated in the spring and summer months to a greater extent than for most other areas of the economy, so that a large proportion of needed steel supplies were already on hand before the strike. Although the volume of new financing activity is closely related to construction expenditures and provides a relatively valid indicator of trends, precise analyses are of limited value since no data are available on the amounts of retained earnings and depreciation accruals utilized for construction purposes.

Significantly, the proportions of total new financing derived from the sale of common and preferred stock during 1952 have been the highest attained during the post-war period as indicated in the following statistics:

PERCENTAGES OF NEW STRAIGHT GAS UTILITY FINANCING, 1946-1952, BY TYPE OF ISSUE

	Nine Months	Year	Year	Annual Average
	1952	1951	1950	1946-49
Common stock	10.3	6.0	8.9	8.3
Preferred stock	20.7	8.1	9.1	3.5
Debt	69.0	85.9	82.0	88.2

Most gas utility stocks are currently quoted on national security exchanges at historically high levels and it is apparent that many companies have availed themselves of this situation to market new equity issues on advantageous terms.

An additional factor causing a lessening of emphasis upon debt issues has been the smaller proportion of new financing accounted for by pipelines, with their traditionally high debt ratios. Total new financing by pipeline companies in the first three quarters of 1952 was $209 million, compared to a yearly total in 1951 of $588 million and in 1950 of $413 million. This decline in financing activity corresponds with a reduction in long-distance pipeline construction; many transmission companies are now expanding their capacity by installing additional compressor horsepower on existing lines rather than by laying completely new lines.

Even among pipeline companies, increased reliance was placed on stock financing in 1952 with 25 percent of the total volume of new security issues represented by common and preferred stock, while the average for the three preceding years was only 17 percent.

More than 90 percent of the financing consummated by all straight gas utilities during 1952 has been attributable to utilities and pipelines selling natural gas, lending emphasis to the dynamic growth of natural gas, and to the need for large amounts of financing to keep pace with the huge public demand for this fuel.

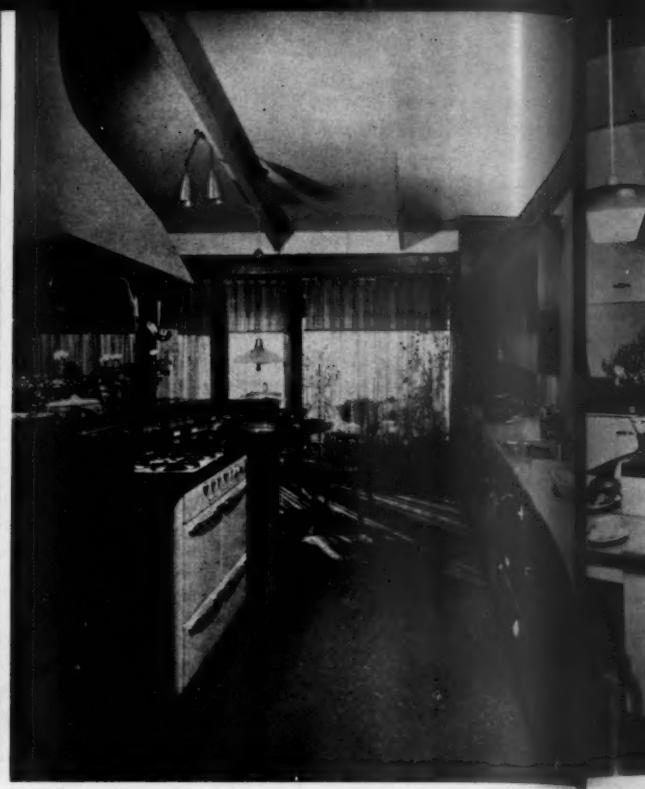
The quantities of financing discussed above, and presented in the accompanying table, exclude the new issues of combination companies which distribute electricity as well as gas. During the first nine months of 1952, these combination companies issued a total of $696 million of new securities, which exceeds substantially the $619 million raised during the entire year of 1951; at the present rate, total 1952 financing of such companies may possibly surpass the previous record set in 1949. While the need for such financing is occasioned to a considerable extent by the gas operations of these utilities, there is no accurate method of determining the relative proportions required for the respective utility services. Also excluded from the accompanying tabulations are holding company issues aggregating $208 million so far in 1952, compared with an annual 1951 total of $236 million. Such issues reflect the financing activity of all holding companies with subsidiaries transporting or retailing gas; in many cases certain subsidiaries also sell electricity, so that the proportions of new financing attributable to gas industry requirements are once again not determinable.

VOLUME OF STRAIGHT GAS UTILITY FINANCING, 1946-1952, BY TYPE OF ISSUE

(Millions)

	All Straight Gas Companies				Straight Natural Gas Companies			
	Nine Months	Year	Year	Year 1946-49	Nine Months	Year	Year	Year 1946-49
	1952	1951	1950	Average	1952	1951	1950	Average
Total	437	909	756	430	395	826	709	390
Common stock	45	54	67	135	39	52	54	35
Preferred stock	90	74	69	15	84	72	61	14
Debt	301	781	619	379	272	701	594	340
Bonds	255	562	387	276	235	510	373	248
Debentures	10	94	99	53	8	88	94	47
Other	36	124	132	50	29	103	127	44

Today's Woman, national service magazine, designs a kitchen especially for America's young homemakers. Featured in roomy layout are up-to-date gas appliances and Porta-Bilt wood cabinets by Mutschler Brothers



For National Homefurnishings Show, McCall's Magazine planned a living kitchen . . . an ultra-modern idea for today's casual family. New Freedom Gas Kitchen gleams with "CP" appliances, St. Charles cabinets

Home show displays feature gas

Anyone who goes home from this place satisfied with her old kitchen is just plain *numb!*" exclaimed one wide-eyed young matron to her friend. The friend, at that point, didn't hear. She was busily inspecting a practical, work-saving feature of a sparking new gas appliance.

That was just one of the many favorable comments overheard during an evening at the National Homefurnishings Show. And indeed, the show, held from September 18 to 28 in New York City's sprawling Grand Central Palace, seemed to specialize in beautiful kitchens. They were kitchens to remember . . . kitchens to have in your own home. All gas equipped, they gleamed with the most modern automatic ranges, refrigerators, clothes dryers, food freezers and all-year air conditioners. Moreover to the home show's 250,000 visitors, these kitchens subtly proved a point: that modern housekeeping and modern gas appliances go hand-in-hand.

The most noteworthy kitchens were constructed by three of the nation's leading home magazines in cooperation with American Gas Association's New Freedom Gas Kitchen Bureau. A.G.A.'s behind-the-scenes part in this successful, king-sized gas promotion cannot be overestimated. The members of the New Freedom Gas Kitchen Bureau worked tirelessly to coordinate the efforts of magazine editors, appliance manufacturers and cabinet makers. In addition, A. G. A. arranged to have eight or nine kitchens and laundries displayed by the magazines at the Association's Annual Convention in Atlantic City. And for the millions who could not see the actual "live" displays in New York or Atlantic City, each magazine has devoted pages of editorial space, with many four-color pictures to this gas promotion. The articles appear in *McCall's* Magazine (September, 1952), *Living for Young Homemakers* (October, 1952), and *Today's Woman* (October, 1952).

Living for Young Homemakers presented not one, but several spacious well-planned gas kitchen layouts. *Living's* "growing kitchen," which starts with basic essentials and expands with the family pocketbook, offers long range savings in money, labor and housewife wear-and-tear. The kitchen on display—the plan in its final form—features Geneva cabinets and sinks; Chambers deluxe In-a-Wall oven and Drop-In cooking top; Servel double-door gas refrigerator; a Whirlpool automatic gas clothes dryer and companion washer; an ironer, home

Highest quality was aim of Living for Young Homemaker's growing kitchen. Featured in a long-range purchasing scheme for those who want the best appliances, one at a time, are In-A-Wall and In-A-Top gas oven and burners

Another view (above) of Today's Woman kitchen shows gas refrigerator and laundry appliances. Hobby kitchen (below) another Living design, uses gas appliances to make homemaking fun, save precious time for sewing, painting, crafts

freezer and scores of other smaller work-saving appliances.

Expensive luxury? On the contrary, *Living* says this kitchen was not planned for the well-heeled. The important factor here is not money but an over-all plan that will provide quality appliances throughout the years, a plan that will start with bare essentials and expand with the family income.

In another model, *Living* catered to the family which loves to gather 'round mother in the kitchen, in the cheeriest, most comfortable room in the house.

In this kitchen keyed to family comfort, it is not surprising to find Servel's gleaming gas refrigerator, water heater and all-year home air conditioner. An automatic gas dryer by Whirlpool, with companion washer, a Tappan "CP" gas range and Beauty Queen cabinets are all clues that 1953 practicality and modernity have not been sacrificed for the kitchen's old-fashioned atmosphere.

Gone are the days when cooking, washing and ironing tied up a housewife for the best part of the week. In a skillfully planned hobby kitchen, *Living* shows today's young homemaker how to place main units in a triangle for production line efficiency. The Estate gas range with its windowed automatic oven and timer; the Vent-a-Hood over the stove to draw out cooking odors; the Servel gas refrigerator with its huge frozen food compartment; the A. O. Smith gas hot water heater; and the sleek whiteness of American Kitchen cabinets, dishwasher, sink and garbage disposal . . . all contribute to space and time saved for fascinating hobbies.

A sewing, photography and art work center is nearby, with lots of cabinet space for hobby equipment. Drudgery is eliminated, work is speeded in this all-gas kitchen. The hobby atmosphere prevails, making cooking itself a real pleasure.

McCall's magazine, in building its model home for the show, went on the premise that ". . . it isn't just money or a new house or the latest equipment that brings happiness . . . it's having a wonderful time doing the little things. . . ."

And in this home, where the kitchen is definitely the most important room, sturdy, high-quality gas appliances help a great deal toward performing that miracle: making housework and "the little things" fun to do.

"The House on McCall Street" is unique. If it were divided into distinct rooms, each would be of mere cubbyhole proportions. Instead, *McCall's* has presented a living kitchen with ample room for the entire family, with the illusion of space to spare. The layout was built around a waist-high island, one side of which houses an "out of this world" New Freedom Gas Kitchen, planned and built by St. Charles Manufacturing Company. The Roper range, the Servel refrigerator, the Bendix automatic washer and gas clothes dryer, the Ruud hot water heater are trustworthy handmaidens for this modern, servantless home. Over the entire fireplace is a huge vent to dispel stale air and cooking odors.

One of the most striking features is the amount of storage and work space. The New Freedom layout, built along efficient Pullman lines, provides every conceivable kind of closet and cabinet and with an uncanny genius, utilizes every corner to best advantage.

McCall's living kitchen has been planned for the unpretentious life, on the assumption that "keeping up with the Joneses" is on the way out. Money, otherwise spent for expensive unnecessary frills, has bought modern appliances that efficiently speed tasks and make life easier. "The House on McCall Street" is a charming home that shows how today's informal, casual life can be delightful.

In cooperation with American Gas Association, *Today's Woman* sensibly

planned a large kitchen for a growing family. The circulation of this important service magazine is aimed at America's 12 million young wives, and the kitchen was built for their needs. The sunny breakfast nook, the cheerful modern cafe curtains, the soft blue color scheme are selling points in themselves. But there's more to it than meets the eye.

The keynote of this kitchen is quality, with everything selected for long service and hard wear. The cabinets, by Mutschler Bros., are solid maple, with a special no-warp construction and scores of convenient storage features; the appliances —gas wherever possible—were selected for quality and long wear.

For instance, the Estate range has been built to high "CP" standards. The Servel refrigerator is a big double door model with a separate compartment for frozen foods. A fan vent, neatly concealed by a cabinet, has been placed above the stove to draw out cooking odors and grease. The laundry includes a Thor gas dryer.

Here, *Today's Woman* has suggested an attractive kitchen, one to take lots of wear and tear and still look good. What's more, by using highest quality gas appliances and cabinets and an efficient floor plan, the magazine suggests an outstanding gas kitchen to serve a modern family.

Each gas-equipped kitchen displayed at the 1952 National Homefurnishings Show was planned with a particular kind of family in mind. However, they all had one big thing in common: they were the acknowledged heart of the home. Gone was the small, stark white scientific laboratory to which mother formerly retreated for her daily nutrition exercise. Every kitchen was frankly feminine, with lots of color and comfort, with ample room for work, games, hobbies and entertaining. Every kitchen was a *gemütlich* room that said "come on in" to husband, kids, friends. Happily, this trend has subtracted none of the planned efficiency or wonderful work-saving appliances. But it has added something very welcome: color, fun, geniality. Every New Freedom Gas Kitchen on display was obviously built for the family's enjoyment as well as for mother's work.

Small companies need more emphasis on safety

By A. S. HANCOCK

Chairman
A. G. A. Accident Prevention Committee and Director of Safety
Long Island Lighting Co.
Mineola, N. Y.

There's twice as much likelihood that the employee of a small company, *in any industry,* will suffer a disabling accident than will the employee of a large company. It has been recognized for years by professional safety men that the number of disabling accidents per million manhours of work is more than double in small companies, as compared to large companies. Year after year this situation has been stressed at the President's Conference on Industrial Safety, and at the various state and regional conferences.

Of the total of 342 natural, manufactured and mixed gas companies reporting their annual accident experience, only 40 have more than 1,000 employees, 19 have from 501 to 1,000 and the remaining 283 companies have fewer than 500 employees. Statistics show that the highest frequency of accidents is in reverse ratio to the number of employees.

During 1951 the 283 reporting companies which had fewer than 500 employees accounted for one-third of the total manhours of work in all gas companies. During that year, employees of this group suffered two-thirds of the fatal injuries and permanent disabilities.

Many small gas companies have no organized safety programs, and in most cases no safety personnel to keep abreast of developments in the field of accident prevention. Hence it is a natural assumption that accidents are not a problem, or that there is nothing that can be done to prevent those that do occur.

But the fact that large gas companies embark on accident prevention programs and steadily expand them is one indication that safety is a worthwhile investment. The smaller company would profit even more, because the loss of one skilled employee, the damage to one critical machine, or the interruption of service, as the result of an accident, might do irreparable harm. The gas industry's average capital investment of $53,000 per employee represents an annual interest charge of $1,643, or a daily interest cost of $4.50. This charge goes on regardless of whether equipment is used or is idle.

Similarly, a company incurs extra costs while paying for employee absence due to injury, or while training a new employee to take his place. Cutting accidents reduces operating expenses.

The American Gas Association is obviously in an excellent position to offer special help and guidance to the small gas company. Particularly important in such a program is the correcting of the casual and often indifferent attitude toward the operation of an organized safety program. No other agency has available the wealth of information on the prevention of accidents in the gas industry, nor is any agency so familiar with the problems of the industry.

The Accident Prevention Committee of the American Gas Association stands ready and anxious to aid any member company. It can render a real service to its smaller company members by stimulating safety programs within their organizations. Those with an accident frequency greater than the 15.72 average for the industry are being urged to communicate with the secretary of the committee at A.G.A. Headquarters, to learn details of the services available to them.

Summary of 1951 Disabling Accidents among Natural, Manufactured and Mixed Gas Companies

Size of Company	*Number of Reporting Companies*	*Total Frequency Rate*
Very large (over 1,000 employees)	40	13.44
Large (501 to 1,000 employees)	19	20.76
Medium (101 to 500 employees)	90	20.90
Small (100 employees or less)	193	22.33
1951 Gas Industry Frequency	342	15.72

Study gas combustion corrosion

By WILLIAM M. MYLER, JR.

Chief Engineer
Janitrol Engineering Department
Surface Combustion Corporation

a PAR activity

The PAR Committee has made an appreciable investment of A. G. A. research funds in the DGR-4-CH project on corrosion of metals and materials by the products of combustion of gaseous fuels. One of the principal reasons for making this investment was to establish a basis for evaluating the expression "black iron or equivalent" which has appeared in many A. G. A. requirements for years.

This project was assigned to Battelle Memorial Institute. Three reports on this investigation have been made up to the present time. The first report was a literature survey which came to the conclusion that existing data on the corrosion of appliances by products of combustion of gaseous fuels was entirely inadequate for our purposes.

The second report described the test apparatus which was developed for this project and reported the corrosion behavior of mild steel under a wide variety of conditions which were considered to be representative of conditions which occur in some parts of every gas appliance.

After the basic corrosion behavior of the most commonly used appliance material, mild steel, was established as shown in Report No. Two, the project turned to an examination of other materials which might conceivably be used instead of mild steel. These materials were examined using the same identical test procedures as were used on mild steel so that we now have data in Report No. Three, which are directly comparable to the data for mild steel of Report No. Two. In order to simplify the comparison, No. Two was incorporated into No. Three.

Report No. Three contains the corrosion data on a very wide variety of solid materials and coated materials which were investigated.

During the current year additional tests are being run at Battelle to determine what the effect of fabricating processes, such as weldings and bending, may have on the corrosion behavior of materials. The results show that it is possible by choosing welding techniques to fabricate these materials without seriously altering their corrosion behavior characteristics.

When a gas appliance having flue passages made of mild steel fails in service due to flue gas corrosion, the failure first shows up as pin holes. Usually, the appliance is still structurally strong, but the holes cause flue gas leakage and hence the appliance fails.

The data in these reports on corrosion of mild steel confirms these facts. Two kinds of corrosion are reported. Average penetration is expressed in mils per year and is the total weight lost by the sample during test divided by the weight of one mil thickness of the material which is the same area as the test sample. The other type of data reported is known as maximum pentration. It also is expressed in mils per year and is the maximum depth of the pits which have formed in the materials. The depth of these pits is measured by means of a microscope. Thus, for each of the materials observed we have two values, average penetration rate and maximum penetration rate.

For mild steel under a typical cyclic test condition of 80 to 400F and 25 grains of sulphur content per 100 cubic feet of 1000 Btu gas, we find that the average penetration rate is 38 mils per test year and the maximum penetration rate is 410 mils per test year. The ratio of 410 to 38 or 10.8 to one simply means that the tendency to perforate the metal is almost 11 times the tendency to wear it down uniformly. Looking at it in another way, the sheet will be perforated when it has lost only nine percent by weight due to over-all corrosion. This is a perfect explanation of the failure of mild steel by perforation when the unit is still structurally strong.

The data of Report No. Three shows that 18-8 stainless, with and without molybdenum, Alclad 24S-T, 2S aluminum and copper all have both average penetration and maximum penetration rates which are very small when compared to the rates of mild steel. These materials are many times more expensive than mild steel, and for that reason they generally cannot be considered substitutes for it.

In the course of this investigation certain materials were investigated which seem to be of particular importance because they have much improved corrosion resistance characteristics as compared to mild steel. In addition, their normal price ranges are not so far out of line with mild steel but what they can be attractive material for use in gas appliances. One such group of materials is what are known commercially as high yield strength steels. Four of these materials were investigated. They are Mayari

Abridged version of a paper presented before the A. G. A. Research and Utilization Conference, Cleveland, June 5 and 6, 1952.

R, Yoloy, Corten and HT-50. In this group the average penetration rate was from 18 to 22 mils per year which is from 47 to 58 percent of the average penetration rate for mild steel. The maximum penetration rates for these materials ranged from 80.9 for Yoloy to 96.0 for HT-50. Comparing these latter figures with the 410 mil rate for mild steel, their pit corrosion performance is 4.2 to 5.1 times as good as mild steel.

The ratio of the maximum to the average corrosion rates on these high yield strength steels is approximately four to one so the ultimate failure will still be by perforation. In the case of these materials, perforation will occur when about 75 percent of the original metal remains so the unit would still be structurally strong.

The really important consideration is the fact that the rate of perforation is only 20 to 25 percent of that of mild steel which would mean that when considered solely from the standpoint of corrosion, it would be possible to use a thickness of material that was only 20 to 25 percent of that required for mild steel. Combining these corrosion facts with the increased cost of these high yield strength materials over mild steel which is approximately 50 percent gives some interesting and attractive figures.

Consider a furnace made of 12 gauge mild steel which is 104 mils thick. This is the gauge material which is universally acceptable in manufactured gas territories as having a satisfactory life expectancy. These data would indicate that just as satisfactory a life expectancy would be obtained if the furnace were made of high tensile strength steel having ¼ to 1/5 of the material thickness or an actual thickness of 21 to 26 mils. In this range we find 24 gauge material which is 24 mils thick. Structurally this 24 gauge sheet might be too light for heat exchanger construction in the furnace, so let us consider the use of 18 gauge material which is 48 mils thick and which is a thickness that has been very commonly used in heat exchangers for natural gas furnaces. Since this 18 gauge material is 40 percent of the original thickness and since these corrosion data would indicate that material 20 percent of the original thickness would have the same life expectancy, then this 18 gauge material would have twice the life expectancy of the original 12 gauge material. On the other hand, based on a 50 percent price premium for high tensile strength steel, the material cost for the 18 gauge furnace would be only 60 percent of the cost of the original 12 gauge furnace.

These data indicate that such a change would decrease the material cost 40 percent and at the same time double the useful life.

Another relatively low cost material which showed exceptional resistance to corrosion is aluminized steel. This material costs about twice as much as mild steel. Under the same test conditions as previously used for mild steel and the high tensile strength steels, aluminized steel shows an average penetration rate of 10.6 mils per year and a maximum penetration rate of 12.3 mils per year.

Ratio differs

The ratio of these two penetration figures is altogether different from the ratio for the other materials previously examined. The maximum penetration rate is only 16 percent higher than the average penetration rate indicating that the tendency to perforate the material is extremely small. In the case of the mild and the high tensile strength steels, from 90 percent down to 75 percent of the original material remained at the time of perforation, while in the case of aluminized steel there would be only 13.8 percent of the original material remaining. These data would seem to indicate that the appliance would probably fail structurally before there is any likelihood of perforation.

In the Battelle tests no attempt was made to correlate the test year with a calendar year. Examination of the rate of corrosion indicates quite clearly that the Battelle tests were greatly accelerated tests. As an example consider mild steel, which is being corroded at the 410 mil rate per test year. A 12 gauge sheet which is 104.6 mils thick would be perforated in 0.256 years and yet it seems to be pretty generally accepted that a 12 gauge sheet even in manufactured gas territories will have a useful life of 20 years as a minimum. Despite this great acceleration in test rate, the performance ratio between the different materials should be exact because test conditions were identical and hence the results should be exactly comparable.

If we accept as a fact that a furnace of 12 gauge mild steel plate will have a satisfactory life in manufactured gas territories of 20 years, we must also assume then that the unit is still in usable condition at the end of that time and that some longer time perhaps, 30 years represents the time of ultimate failure, due to serious perforation. Since the 12 gauge sheet is 104.6 mils thick originally, then the pit penetration rate per actual or calendar year is 104.6 divided by 30 or 3.5 mils per calendar year. The Battelle data says that 410 mils per test year is the rate for the same material, so the ratio of test year to calendar year would appear to be 410 to 3.5 or 117 to 1. Let's round this off and call it 100 to 1.

On the same basis the actual average penetration per calendar year for aluminized steel would be 10.2/100 or 0.1 mil per year, or 3.0 mils for the 30 year life.

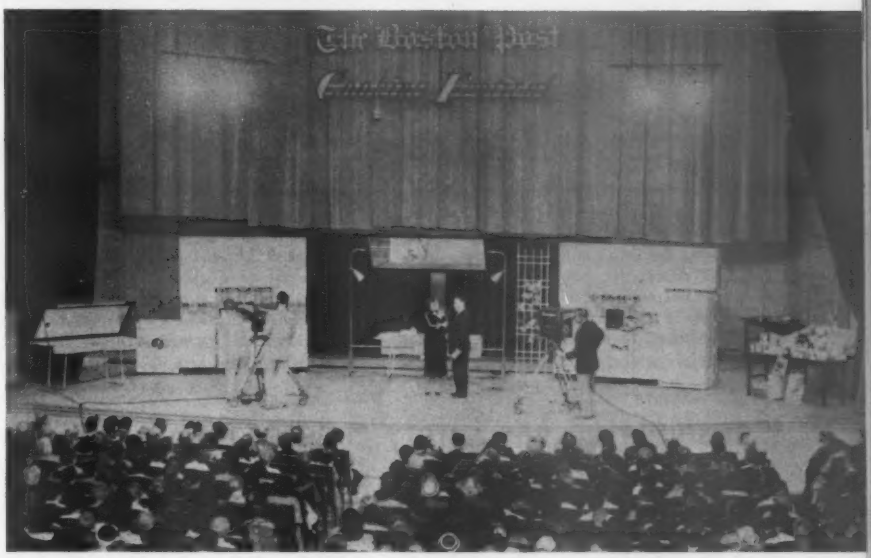
If we go back to our previous example and were to substitute 24 gauge aluminized steel for the 12 gauge mild steel, at the end of 30 years the material would have decreased from its original thickness of 24 mils to 21 mils. Eighty-eight percent of the original material would be left. Since the pit penetration rate for the material is only 16 percent more than the average penetration rate, then the greatest depth of pits on the corroded surface would only be 0.5 mil.

Aluminized steel is a coated material as compared to the solid materials previously discussed. The data reported above on aluminized steel was obtained on undamaged samples. It was natural that the question should be raised as to the effect of scratches and manufacturing processes on the corrosion resistance of this material, so intentionally damaged samples were subjected to the same tests and samples involving various types of welding procedures were examined. The results obtained on these intentionally damaged samples resulted in corrosion rates which are less than double the original figures. This would mean that in the worst corroded spots the 24 gauge sheet would be reduced to 18 mils in 30 years and that the pits in this area still would only be 1.0 mil into the surface instead of 0.5 mil which would still indicate an extremely superior material.

No claim is being made that the Battelle tests have completely answered every aspect of the flue gas corrosion problem. It should be emphasized however, that the mild steel investigation reported in Report No. two is quite exhaustive and a study of it reveals that it does check with our long time field operating experiences. Since the data on other materials is directly comparable to the data from mild steel, there should be no reason to doubt its applicability.

Crowds jam gas cooking festival

Combined efforts of Metropolitan Boston gas utilities focus housewives' interest



The advantages of modern automatic gas cooking were demonstrated recently to well over 25,000 New England housewives during the largest cooking festival ever staged in Boston. The eight-session festival, in which sixteen Greater Boston gas utilities pooled their efforts, was held in that city's Symphony Hall, September 22-25.

Hours before the doors opened, eager crowds of women waited on the steps of the music hall and blocked the streets; some came early in the morning and brought their lunches. Many had come from great distances to collect new cookery ideas, to try their luck at winning valuable prizes, and to enjoy the special entertainment features offered as comedy relief to an otherwise serious, information-packed program.

Promotion of the festival was led by the *Boston Post*, a morning newspaper. Besides the gas companies of Greater Boston, eleven gas appliance manufacturers, the A. & P. Supermarkets and thirty-six of their food suppliers were participants in the cooking festival.

Last May, Roy E. Wright, New England Gas and Electric Association, Wilder Moore, director of gas sales for New England Electric System, and Henry A. Kievenaar, manager of residential sales, Boston Gas, after a series of conferences, decided to join with the *Boston Post* in its cooking festival. During the intervening period many group meetings were attended by the utility executives, advertising display-promotion personnel, television engineers and home economists on whose shoulders would fall the lion's share of staging the show.

For a whole week before the festival, the *Boston Post* ran stories announcing the affair and building up anticipation for the big Sunday supplement that carried details of the coming program. In all, the supplement and week-day editions of the *Post* carried 75,000 lines of paid advertising and 34,000 lines of editorial material containing messages about natural gas, history and service of Greater Boston utilities, and biographical sketches of local gas utility executives and home economists who were to do the cooking demonstrations.

Much product information, furnished the paper by gas appliance manufacturers, received prominence in the Sunday supplement. Additional advance publicity consisted of television spot announcements, 200,000 bag stuffers used by the A. & P. as point of sale, tuck-in counter cards, subway posters, and such material as the participating gas companies originated themselves, including bill stuffers and posters. The opening session of the festival was televised.

Product information was integrated with the running commentaries carried on by home economists as they prepared the various dishes on the day's program.

Recipes were chosen which would point up each part of the range being used: top burners, ovens, broilers and griddles. The gas refrigerator was used to demonstrate cold cookery of salads and desserts. The stage setting included two gas ranges, a gas refrigerator, clothes dryers in New Freedom Gas Kitchen sets.

Twenty-two major gas appliances were given away by gas appliance manufacturers. Thirty-five bags of groceries, meats used in a meat-cutting demonstration, together with the food cooked during the lecture were given at each session. A gas clothes dryer on stage held the name stubs collected from the audience. The dryer was set in motion to shake up the stubs and after they were well-mixed, names were drawn for prizes.

Gas companies participating were: Arlington Gas Light, Beverly Gas and Electric, Boston Gas, Cambridge Gas Light, Central Massachusetts Gas, Gloucester Gas Light, Lawrence Gas and Electric, Malden and Melrose Gas Light, New Bedford Gas and Edison Light, Norwood Gas, Old Colony Gas, Plymouth Gas Light, Salem Gas Light, Suburban Gas and Electric, Wachusett Gas, Worcester Gas Light. Participating gas appliance and cabinet manufacturers were: Bendix, Caloric, Glenwood, Hamilton, Janitrol, Magic Chef, Permaglas, Roper, Ruud, Servel, Whirlpool, Lyons.

By all concerned the cooking festival was considered an outstanding success, the only regrettable note being the turning away of hundreds who couldn't get into the hall. Appliance manufacturers, who had exhibits in the corridors of the music hall, were able to talk to many prospective purchasers and pass out descriptive literature. Inside the hall audiences were attentive and enthusiastic. Their interest was perhaps best demonstrated by the hundreds of cookery questions and requests for appliance information that were sent to the stage on folders prepared for that purpose. On the basis of the success of this initial effort, the festival is expected to become an annual affair.

Librarians consult, advise at A.G.A. Convention

UNDER THE AUSPICES of the Public Utilities Section of the Special Libraries Association a committee of experienced librarians from member companies of the American Gas Association was available for consultation and advisory service at the Association's 34th annual convention at Atlantic City, N. J., October 27-30. An information booth and special exhibit was maintained in the ballroom lobby of the Auditorium.

The group of trained technicians offered assistance on how to start, build and maintain libraries and information centers for the use of all departments of gas utility companies. The experts showed how proper organization and correct use of libraries and information centers can save the time and increase efficiency of utility executives and employees. The librarians were available for consultation on particular problems as well as for general subjects.

Considerable printed material was exhibited and distributed. Included was a selective list of published material for a gas company library; the informative A. G. A. list of publications; manuals and handbooks on company libraries, and recent bibliographies and abstracts of current interest.

Consolidated gas safety code available

THE CONSOLIDATION of the gas-pertinent parts of the existing Code for Pressure Piping has just been approved by the American Standards Association. The new document, which constitutes a safety code for gas pipelines and distribution systems, is designated as Section 8, B31.lc-1952.

Section 8 of the Code for Pressure Piping was prepared and published separately as a guide in the construction of pipelines for gas transmission and distribution to meet a current need in connection with the construction of cross country gas pipelines. The separate publication eliminates the necessity for cross-referencing to other sections of the code. The new Section 8, whose technical requirements are identical with those in the code, will be included as the last section in future editions of the Pressure Piping Code.

Chairman of the subcommittee which consolidated the new section is Frederic A. Hough, vice-president, Southern Counties Gas Co. of California, Los Angeles. (See September MONTHLY, page 21.) Subcommittee No. 8 has a membership of 52 representatives of gas transmission and distribution companies; pipe companies; valve and fitting companies; independent research groups, technical universities; consulting engineers; and government agencies. Sponsoring organization for the Section 8 code is the American Society of Mechanical Engineers.

Copies of the American Standard, Section 8, Code for Pressure Piping, B31.lc-1952 are available from the American Standards Association, 70 East 45 St., New York 17; or from American Society of Mechanical Engineers, 29 West 39 St., New York.

Dates announced for PUAA regional meetings

THE PUBLIC UTILITIES Advertising Association, whose 325 active members represent almost every major gas and electric utility company in the United States and Canada, launched its annual series of regional meetings during October.

Representatives of companies in Michigan, Indiana, Illinois and eastern Missouri, Region 4, convened at French Lick Springs, October 7 and 8 for two days of discussion of association and utility company problems. On October 23 and 24, representatives from companies in western Pennsylvania, Ohio, West Virginia and Kentucky met in Cleveland for the Region 3 session.

On November 13 and 14, companies which operate in Minnesota, Wisconsin, Iowa, North and South Dakota and Manitoba will be represented at the Region 7 session at Cedar Rapids, Iowa.

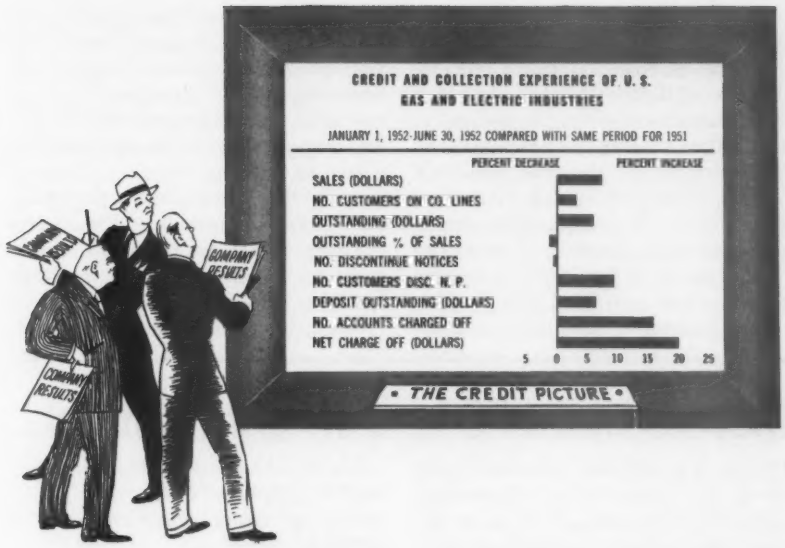
New York, New Jersey, eastern Pennsylvania, Maryland, Delaware, Toronto and Bermuda companies will be represented at the Region 2 meeting scheduled for December 4 and 5 at Atlantic City.

In February, Region 1 members will meet in Boston. The membership is comprised of representatives from companies in New England and Quebec. The exact date will be announced later. Region 9, Wyoming, Montana, Arizona, Utah, Idaho, Washington, Oregon, Nevada, California, Vancouver and Hawaii will also meet in Februarv, either at Yosemite or Pebble Beach, the date will western Louisiana has set February 2 and be set later. Region 8 members, Colorado, Kansas, Nebraska, western Missouri, New Mexico, Texas, Oklahoma, Arkansas and western Louisiana have set February 2 and 3 as their meeting date, with the place somewhere in the Southwest, to be named later.

Region 5 members will meet March 12 and 13 at Richmond, Virginia. The region includes companies from Virginia, South Carolina, Tennessee, Georgia, Mississippi, Alabama, Louisana, Florida and Cuba.

Paul L. Penfield, of The Detroit Edison Co., is president of PUAA, a department of the Advertising Federation of America. C. Fred Westin, of The Public Service Electric and Gas Co., Newark, N. J., is second vice-president and is in charge of the regional meetings.

Credit and collection experience


CREDIT AND COLLECTION EXPERIENCE OF U. S. GAS AND ELECTRIC INDUSTRIES
JANUARY 1, 1952-JUNE 30, 1952 COMPARED WITH SAME PERIOD FOR 1951
PERCENT DECREASE
PERCENT INCREASE
SALES (DOLLARS)
NO. CUSTOMERS ON CO. LINES
OUTSTANDING (DOLLARS)
OUTSTANDING % OF SALES
NO. DISCONTINUE NOTICES
NO. CUSTOMERS DISC. N. P.
DEPOSIT OUTSTANDING (DOLLARS)
NO. ACCOUNTS CHARGED OFF
NET CHARGE OFF (DOLLARS)
5 0 5 10 15 20 25
• THE CREDIT PICTURE •
COMPANY RESULTS
COMPANY RESULTS
COMPANY RESULTS

Several items in the latest Credit Picture indicate that collection conditions throughout the country were less favorable during the first six months of 1952 than they were in the same period of 1951. This is reflected most noticeably in the increased charge-offs, both in number of accounts and in dollar volume. A study of the table below indicates that:

1. The increase in the number of accounts charged off is considerably in excess of the percentage increase in the number of customers for all geographical areas.

2. In all areas, except the Mountain States, the percentage increase in dollar volume of charge-offs is greater than the growth in total sales.

A further study of the individual reports shows that 80 percent of the utilities covered by the survey reported increases in net charge-offs greater percentage wise than the increase in dollar sales volume.

Services disconnected for non-payment is usually a good indicator of changing local collection conditions. An increase in such disconnections was reported for the country as a whole and for all geographical areas except New England and West North Central. A further study of the New England area shows that five utilities reported an increase in non-payment service disconnections. These were offset, however, by two larger utilities which reported decreases.

As collection conditions become poorer, there is a tendency for utilities to require more cash deposits. Some significance, therefore, may be attached to the fact that seven of the nine geographical areas reported an increase in deposits, six of which were greater, proportionately, than the increase in the number of customers.

All geographical areas experienced increases in total sales. The percentage of increase in each area, however, was smaller than in 1951. For the first six months of 1951 the increase over 1950, for the country as a whole, was 12 percent; for the first six months of 1952 the increase over 1951 was 7.5 percent.

(JANUARY 1, 1952—JUNE 30, 1952) • PERCENT INCREASE OR DECREASE OVER CORRESPONDING PERIOD—1951

	NEW ENGLAND	MID ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH ATLANTIC	EAST SOUTH CENTRAL	WEST SOUTH CENTRAL	MOUNTAIN STATES	PACIFIC STATES	UNITED STATES TOTAL
SALES	+ 7.0	+ 4.6	+ 6.6	+ 9.6	+ 8.7	+ 7.9	+ 8.1	+11.2	+10.5	+ 7.5
NO. CUSTOMERS ON CO. LINES	+ 1.8	+ 1.6	+ 3.3	+ 3.1	+ 5.6	+ 5.8	+ 3.4	+ 4.9	+ 4.9	+ 3.5
OUTSTANDING	+10.1	— 0.6	+ 3.7	+13.3	+14.7	+ 5.0	+11.6	+ 8.3	+ 6.3	+ 6.1
OUTSTANDING % OF SALES	+ 2.9	— 5.0	— 2.7	+ 3.3	+ 5.5	— 2.7	+ 3.1	— 2.6	— 3.8	— 1.3
NO. DISCONTINUE NOTICES	—17.9	+ 8.8	— 5.6	— 8.2	+10.4	+ 3.3	— 9.2	+11.6	— 7.1	— 0.7
NO. CUSTOMERS DISC. N. P.	— 1.3	+11.8	+ 1.6	— 0.6	+22.0	+ 3.7	+21.5	+18.4	+12.6	+ 9.5
DEPOSIT OUTSTANDING	+ 2.8	+10.0	— 0.3	+ 0.7	+10.4	+ 7.7	+ 4.9	+ 6.2	— 4.9	+ 6.8
NO. ACCOUNTS CHARGED OFF	+ 3.8	+13.0	+ 8.0	+16.7	+31.9	+15.2	+17.8	+23.7	+17.6	+16.3
NET CHARGE OFF	+34.2	+ 6.0	+20.2	+15.5	+23.5	+28.8	+27.4	+ 6.4	+31.1	+20.0

The trend shown by our Credit Picture definitely indicates less favorable credit and collection conditions than a year ago. There is reason for feeling that the situation, though not serious, is disturbing. It is still true that the loss experience of the industry is low. However, in the face of a tapering off in sales increases; greater numbers of customers denied service for non-payment; and substantial increases in the dollars of net charge-off; collection men need to examine carefully the basic causes of these trends and adjust collection practices where practicable to meet the situation. Despite the high level of business conditions currently experienced throughout the nation, there is growing proof that individual company losses are being materially influenced, and the country's totals in turn, by the swelling tide of shifting transient-like population movements from area to area causing losses disproportionate to normal expectancy. This problem merits careful study.

Available statistics would indicate that the ratio of net losses to sales—nationwide—has remained steady to higher for the past two years, but is perhaps one-third above the ratio of 1948. It is very likely that this adverse trend has been duplicated at a number of local levels.

Many and diverse factors influence collections, some of which are very difficult to control. The function of the Credit Picture is to highlight the trouble spots, if any, for the benefit of the industry.

Discuss new FPC rate-of-return formula

Recent rate-of-return pronouncements by the Federal Power Commission constituted the principal subject of the annual meeting of the Independent Natural Gas Association of America in Omaha, October 6. Imposing a serious and grave tone to the intensive, one-day meeting, the pronouncements were discussed fully by a state public utility commissioner; a spokesman for the independent natural gas producers; representatives of the royalty owners; a leading executive of a gas distributing company and representatives of the natural gas pipelines. Also, there was an important discussion by an officer of one of the largest investors in natural gas securities.

The Federal Power Commission, in recent rate regulatory proceedings involving interstate pipeline companies, created and applied a new rate of return formula based upon a composite of interest rate on borrowed capital and the price earnings rate of equity money. The new formula constitutes a departure from prior rate making principles, and as understood by industry leaders, will cause a reduction in the market value of natural gas securities. This, they feel, will result in the industry's inability to attract further capital to finance continued service and future expansion.

Illustrating the unanimous concern of the Association's members, Paul Kayser, president of El Paso Natural Gas Co. and retiring president of the association said, "We are all engaged in a public service—producer, royalty owner, pipeline and distributor, as well as the state commissions and the Federal Power Commission. The true criterion of every act that we do . . . should be: How does it affect the public service? If it makes such service more abundant, more efficient, and more widely distributed, then such action should be pursued. If on the other hand, it curtails the service, impairs efficiency, or limits distribution . . . it should not be pursued.

"In my judgement, the rate of return problem is the greatest facing the industry today. It is of vital interest to everyone, most of all, the ultimate consumer."

Mr. Kayser went on to explain that if pipelines are to be squeezed on the one hand by increased cost and on the other by a reduction of the rate of return by the FPC, the public must accept a decrease in present service and a decrease in planned expansion.

Mr. Kayser called on the entire industry to unite in finding a solution. He said, "The only practical solution that I think can be effective is a frank and full discussion of a comprehensive, straightforward campaign to inform the consuming public of the problem and principles required to be exercised to solve these problems. I am thoroughly convinced that the consuming public wants the service, and is willing to pay what is necessary to secure that service."

A. R. LaForce, vice-president of the Metropolitan Life Insurance Co., speaking for himself and H. C. Hagerty, financial vice-president of the same company, reviewed the financial implications of the FPC's decisions.

One of the most important postwar problems of the natural gas pipelines and other public utilities lies in their attempt to maintain earnings sufficient to attract capital in competition with all other non-regulated corporations during a period of severe inflation, stated Mr. LaForce.

Pointing out that his company was an early investor in the natural gas industry, Mr. LaForce referred specifically to the recent FPC decisions and the new concept of fixing the rate of return.

"This new concept involves the computation of the earnings required to meet a company's 'cost of money' for each type of security in the capital structure as opposed to the past method of allowing earnings sufficient to produce a six to six and one-half percent over-all rate of return on a company's entire capitalization regardless of the nature or composition of the capitalization. In an inflationary period of rising costs it is imperative in its fair return policies that the FPC . . . recognize the fairness and equity of placing more emphasis on the future instead of the past. The obligation of the regulatory authorities is to provide a fair return continuously and not intermittently."

Mr. LaForce went on to explain that "The cost of money doctrine appears to be but another step in the constant hammering away at the incentives that motivate private enterprise in the public interest. If the natural gas pipeline industry embarked on its contemplated expansion program under the present fair return philosophy, there would be no indication of a satisfactory return to the common stockholder. It would, in fact, be a profitless expansion, even if necessary capital could be raised. . . . It is difficult to see how the responsibility for such a result could be fairly placed on management or investors."

Upon conclusion of the meeting, the membership unanimously adopted a resolution urging the FPC to re-examine its new formula, which is based upon a composite of the interest rate on borrowed capital and the price earnings ratio of equity money. The natural gas men also urged the re-establishment of the methods of rate-of-return heretofore followed.

Accounting merit awards made

The Order of Accounting Merit, established to extend recognition for outstanding service to the A. G. A. Accounting Section and to the utility industry, is being conferred upon eligibles, for the first time, at the Association's 1952 convention. Established as an honorary group, membership is to include only those who have evidenced a combination of the qualifications of outstanding leadership, original authorship and continuous service.

A point system has been laid down for equitable determination of eligibility. Under this arrangement, 25 more points are required for membership. Service as an Accounting Section chairman provides automatic eligibility, while the vice-chairmanship, if not followed by chairmanship, gives 10 points of credit. A year as Accounting Section coordinator means eight points, chairmanship of a committee five points, committee vice-chairmanship three points and committee membership two points for each year of *active* participation.

The two points credit for a year of participation as a committee member are subject to the approval of the particular chairman. They are to be denied for lack of attendance, lack of participation in the development of committee projects and lack of active participation in criticisms and suggestions of committee papers and reports.

In addition, five points of credit may be gained by the contribution of a convention or conference paper, or the authorship of an original article published in a national magazine other than Accounting Section's Proceedings. Such papers are required to be of interest and benefit to the utility accounting community and the accrediting of points is to be subject to the approval of the Advisory Planning Committee.

In order to limit membership to those who have performed outstanding service, credits must have been earned for a combination of: (1) leadership or administrative capacity as indicated by service as chairman of a standing committee or of a special committee authorized to perform an outstanding administrative function; (2) the publication of at least one outstanding article or paper; and (3) service credits for membership on committees. Since chairmanship of the Accounting Section provides eligibility, this requirement of a combination of point-worthy qualifications does not apply to them. In this respect, it is recognized that to accede to this position one must have been an active contributing member of the section.

Credits may be earned from more than one activity in any year, as for instance a committee chairmanship and the authorship of a paper which gains publication.

The selection of those eligible to receive the merit award is to be administered by a subcommittee of the section's Advisory Planning Committee. The section vice-chairman will be chairman of the subcommittee, while the section chairman and the immediately past-chairman are to be the members. Any doubt of the eligibility of candidates will be referred to the Advisory Planning Committee for final decision by the majority of its members.

Due to the detailed work necessary to the consideration of the points of all of those who are eligible for the Order of Accounting Merit, the Advisory Planning Committee decided to limit the initial presentation to past Accounting Section chairmen. These awards are being conferred during an Accounting Section meeting, October 28, at the A. G. A. annual convention. A lapel pin and a certificate are presented to each new member. The remaining awards of the initial period of consideration will be made at the Accounting Section's Spring Conference, in Chicago, April 20-22, 1953. Thereafter, awards will be made annually at the A. G. A. convention.

The past Accounting Section chairmen being honored at the annual convention are: H. C. Davidson, chairman during 1925, living in retirement at Rye Beach, N. H.; A. L. Tossel, 1927, retired, Beverly Hills, Calif; Edward Porter, 1928, Philadelphia Electric Co.; and F. H. Patterson, 1929, South Rochester, N. Y. Also among the recipients are J. L. Conover, 1930, Shrewsbury, N. J.; E. B. Nutt, 1934, St. Michael's, Md.; A. S. Corson, 1935, Philadelphia Electric Co.; and F. L. Griffith, 1936, The Peoples Gas Light and Coke Co., Chicago. Similarly cited are H. E. Cliff, 1937, Public Service Electric and Gas Co., Newark, N. J.; D. H. Mitchell, 1938, Northern Indiana Public Service Co., Hammond; F. B. Flahive, 1940, The Columbia Gas System Service Corp., New York; and E. N. Keller, 1941, The Philadelphia Electric Company.

Other past chairmen who will be honored include L. L. Dyer, 1942, Lone Star Gas Co., Dallas; L. A. Mayo, 1943, The Connecticut Light & Power Co., Hartford; O. H. Ritenour, 1944, Washington (D. C.) Gas Light Co.; and C. E. Packman, 1945, North Shore Gas Co., Waukegan, Illinois. Also being cited are L. V. Watkins, 1947, Panhandle Eastern Pipe Line Co., New York; J. A. Williams, 1948, Niagara Mohawk Power Corp., Syracuse, N. Y.; and L. E. Reynolds, 1949, the Connecticut Light & Power Co., Hartford. Likewise membership in the honorary group is being conferred upon J. H. W. Roper, 1950, Washington (D. C.) Gas Light Co.; A. A. Cullman, 1951, The Columbia Gas System Service Corp., New York; and R. F. McGlone, 1952, The East Ohio Gas Co., Cleveland.

Staff members honored

Also receiving the Award of Accounting Merit are H. Carl Wolf, A. G. A. managing director, O. W. Brewer, A. G. A. controller and assistant secretary, T. J. Shanley, Accounting Section secretary, and W. E. Caine, vice-president and treasurer, Texas Eastern Transmission Corp., former secretary of the section.

Creative commercial sales promotion program urgently needed to keep restaurants cooking with gas

Volume cooking is big business

By TRACY B. MADOLE

Manager, Commercial Sales Dept.
Magic Chef, Inc.
St. Louis, Mo.

Gas utilities will relinquish to competitors a virtual Golconda of business unless they take decisive promotional action to protect it!

The commercial cooking business bulks large in each gas utility's load, actual or potential. But this load will be lost unless these utilities support the newest commercial cooking appliances with bang-up, constructive promotions.

A few figures will show that the restaurant business is big business today, and that its cooking load is well worth preserving and expanding:

1. The 235,000 restaurants comprise the nation's third largest retail industry;
2. There are 569,000 food service establishments in the United States;
3. America spends $10 billion eating out each year;
4. The size of the restaurant industry has multiplied five times since 1919;
5. Today there is one restaurant for every 704 persons in the United States;
6. The nation's restaurants today will serve 70 million meals;
7. The average restaurant buys 80 times as much food and equipment as the average housewife;
8. Restaurants employ more people than any other retail business in the United States.

Abridged version of a paper delivered before a joint meeting of the Industrial and Commercial Gas Section and the Residential Gas Section, A. G. A. Convention, Atlantic City, N. J., October 27-30, 1952.

This is big business. The restaurant industry is now five times the size it was 30 years ago, and the tendency is for more, and more people to eat out.

Let's see what your commercial cooking business is worth to your company. One of the best comparisons is with your heating load, which is big business. To begin with, commercial cooking is a twelve months a year load. It doesn't increase in winter when supplies are short, it continues right through the summer when you'd like to be able to sell a lot more gas. The January and February load factor is just like July and August with no seasonal peaks or valleys. It's the ideal business from a load standpoint.

Lucrative venture

As for service requirements, the commercial cooking account is also attractive. There are no great demands for unusual service. You don't have to rush around turning on commercial gas ranges in the fall of the year. They're already working. And when service is required, more than likely the account is willing and able to pay for it.

Collections are relatively good among commercial accounts.

And what about the revenue from commercial cooking? With an ideal load factor, service requirements being low, and collections relatively good, it would be reasonable that rates would be correspondingly low. But that does not follow. Where I have investigated, commercial gas cooking rates are more attractive than heating rates. In fact, the average commercial cooking customer frequently pays substantially more for the gas he uses than heating customers pay for an equal amount of gas.

Commercial cooking is the ideal use of gas from your point of view because of the constant demand, the low service requirements, satisfactory collections, and the favorable profit aspect. This being true, is it not to your advantage to hold onto this business? Is it not to your advantage to promote it? You can't stand still. You must either go forward or slide back.

You gas company executives are charged with the responsibility of making and executing policies. This means that the responsibility for competent planning and effective selling are squarely upon you. You are, of course, responsible to your stockholders and your board of directors for the satisfactory and complete use of gas for commercial cooking in your area. But you are also logically beholden to other gas companies and other good gas men throughout the industry for the job *you* do.

Why should you be responsible also to other gas companies and other good gas men? Because this commercial gas cooking business is like a football game. No matter how good the fullback, and the halfback; they may be All-American caliber, but unless the team pulls together as a unit and every man does his job well, the opposition will find out the weak spots and exploit them. If you as a key member of this industry team of commercial gas men fail your teammates and lose customers you should have kept, you are opening the door to competition, you are weakening the defenses of your team, the team that gives you life, recognition, and security. So be on the team, not in the cheering section. Do a job that helps

other gas men and makes them proud of you. Be a "good gas man."

As manufacturers of equipment, we have no right to ask that you do or don't engage directly in the appliance business. As members of the team of commercial gas equipment salesmen, my teammates and I do urge you to assume the responsibility of assisting us, the industry, to the best of your ability toward the goal that the great majority of volume cooking customers on your lines use gas and gas equipment to prepare all of their food. You cannot rightfully avoid the obligation your teammates place upon you to uphold your position. Nor can you as a member of this industry team refuse when the ball is handed to you to make every possible effort to drive forward toward the goal of commercial gas cooking saturation.

It is a fact of record that only a few years ago when you didn't have the commercial cooking business you turned heaven and earth to get it. And you got it. Nearly all of it. But times have changed. There are gas companies, large and small, who are now apparently so engrossed in the other areas of their business that they are willing to leave this profitable segment, this plump little lamb, to the ravages of the elements. The elements are ready, willing, and able to snatch from you this lucrative sustenance, unless you are willing to protect this heritage of our industry by means of aggressive sales action.

It is not alone my idea that Reddy Kilowatt is filching your business because of too little commercial gas sales promotion activity. The Managing Committee of A. G. A. has recognized and discussed the problem and just recently a committee of top executives has been appointed to make plans and appeal to other gas company executives for commercial sales action. You will hear from that committee.

Part and parcel of the commercial business, presently so vulnerable to the elements, are the hundreds of commercial users daily depending upon obsolete gas equipment that can't possibly give a good account of itself. Are you abandoning old style equipment to defend itself against the actual or imagined improvments of your competitors' latest gadgets? For instance, when your competitor tells your customer about the wonderful sanitary features of his equipment, will there be any rebuttal from any competent representative of yours? Or will that fifteen year old gas range have to speak for the gas industry? You have modern gas equipment with streamlined surfaces, non-clog burners, sanitary spillover catch trays, easily cleaned porcelain linings, and stainless steel exteriors, but will a qualified man tell your customers?

When your competitor waves his flag about safe automatic features, will you have a competent representative there to sing out for automatic top burner lighting, automatic oven lighting, and safety oven pilots?

It's up to you!

And when your competitor talks about fast, economical deep fat frying, who will be there to counter for you?

The old saying, "An ounce of prevention is worth a pound of cure," was never more true than now. Why wait until your treasure is lost before locking the safe? You have the means to keep this load and build it bigger and bigger. But the elements will catch you if you don't watch out. In all reality, the time to meet your customer with a smile of confidence, and some ideas, and convince him you have something new and worthwhile is before he becomes dissatisfied with the old appliance and with your service. Don't leave it completely in the hands of someone else—someone who may be just as glad to sell competitive equipment.

Competitive commercial appliance sales have increased by 60 percent in the last three years. This year over 25 percent of commercial appliance sales are going to competitors. Yet it is no more the amount of business going to competitors that troubles us, than it is the reasons why competitors are able to do that amount of business. The big question is, "Are you attentive enough to the commercial cooking business, and are you determined that you will retain for yourself and your teammates this important and profitable business? You can retain it. It's up to you.

By this time you may have the idea that I think there is danger of a substantial portion of the commercial cooking business getting away from us. I do. But simply to heckle you with fearful facts would be less than constructive. I am a member of industry committees in which commercial gas men from gas companies and manufacturers frequently discuss the weaknesses of our industry with an eye to improvement, through planned cooperation.

The following ideas are for your consideration.

First, you need a commercial sales promotion program. Large company or small company, east, west, north, or south, low gas rates or high gas rates, you need a plan and a program. Whether you do direct selling is secondary, but you should assume the responsibility to see that the selling job is done. You *must* be sure *gas* equipment is sold. It is no passive, part-

Draft consumers' industrial piping code

The first draft of a new code for installation of consumer-owned gas piping on industrial and commercial premises was revised at a recent Toledo meeting of the Industrial Gas Practices Committee. Present were, seated, l. to r.: R. C. LeMay, Selas Corp. of America, Philadelphia; C. C. Eeles, chairman, The Ohio Fuel Gas Co., Toledo, chairman; A. Q. Smith, A. G. A.; and E. L. Spanagel, Rochester (N. Y.) Gas & Electric Corp. Standing, C. G. Segeler, A. G. A.; L. W. Crump, Oklahoma Natural Gas Co., Tulsa; J. M. Robertson, Houston Natural Gas Corp.; and D. A Campbell, Eclipse Fuel Engineering Co., Rockford, Ill.

time job. It is a man-sized responsibility. If you are doubtful how to go about it, the Industrial and Commercial Gas Section of A. G. A. has some ideas. Or if you prefer, call in manufacturers of your choice and they will work with you.

Second, provide for regular effective sales contact with the user. I say sales contact because it is a mistake ever to call on a user or a prospective user without a plan in mind or without trying to sell some service, some idea, or some appliance. Your commercial customers do not want social calls by men who have no objective in mind, but they will be grateful for actual services rendered, either free or charge.

Third, a current great weakness of the industry is that we lack adequate contact with both architects and dietitions. This is a selling job that manufacturers just can't handle. Nor is it reasonable to expect kitchen equipment houses to do this job; they make as much money from the sale of competitive appliances as from the sale of commercial gas appliances. Both architects and dietitians all too frequently specify competitive equipment. It is important that you have adequate sales contact with each interested architect and each dietitian in the area you serve. You may term it educational contact. Any way you look at it, it's a sales job. It's your job. Only you can do it.

Fourth, whether you sell commercial gas appliances or work with kitchen equipment dealers to sell them, effective contact with the kitchen equipment dealers and with their salesmen in your area will pay dividends. The chances are they see your customers at least four times to your once. It stands to reason that they know your customers better than you do. If they're for you, they'll favor gas appliances. If they're not for you, watch out! Once competitive equipment has been sold, you'll find it difficult to recover your loss.

Fifth, back up your industry by seeing that only A. G. A.-Approved appliances are sold on your lines. Keep the quality of your appliances high. More and more local ordinances require that only A.G.A.-Approved equipment is installed. Your best assurance of satisfactory operation is the A. G. A. Seal of Approval.

Sixth, provide satisfactory service on commercial appliances in use in customers' kitchens. It may or may not be free service. It may or may not be provided by your own service department, but it is your responsibility to see that satisfactory service is available. Albert Buenger of the Sheraton Hotels company, in a recent talk to the A. G. A. Industrial and Commercial Sales Conference at Cincinnati, said, "Less than one-half the operators interviewed in an extensive survey had been consulted by the gas company on the purchase of new gas equipment or were informed as to new developments in equipment or cooking methods—there was a surprising number of dissatisfied users in spite of the popularity of the fuel. What do we as hotel men expect from the gas company?

"1. A helpful constructive attitude—in the solution of our problems. The fact that the gas company is usually a monopoly does not entitle it to take a 'public be damned' attitude.

"2. We can further expect from the gas industry repair and maintenance service for our equipment. I believe it would be perfectly fair to make reasonably fair charges for such service.

"3. The gas industry should initiate an educational program among the restaurant and hotel industries on the proper methods of selection, use, service, and maintenance of gas equipment."

What are the manufacturers doing? This is their team, too.

First, top level manufacturers are today providing for utilities' customers and utilities' promotional advantages, commercial gas appliances that will outsell and outperform competitive equipment in practically every respect. Compare this with the limited variety of sizes of competitive equipment. In the commercial range field manufacturers provide specialized range tops for short order work, fry work, or stock top work. Compare this with the so-called "all purpose" top of our competitors. The all purpose top was abandoned by the commercial gas appliance industry 25 years ago as inadequate and unsuited to the requirements of commercial cooking. Look at the speed and flexibility and economy of today's commercial gas appliances. Look at the conveniences available in these wonderful cooking tools, every burner lighting automatically, every burner offering the operator automatic or finger touch, instantaneous control to the exact required intensity of heat. Today's commercial gas appliance offers more cookability, at less cost than any other cooking appliance ever devised. In fact, it is so good that the tendency of too many gas companies is to let the damned thing sell itself. The idea isn't good.

Second, top level manufacturers maintain constant, effective, and costly national advertising programs that reach your customers regularly in every line of food service. These advertisements are designed primarily to sell gas equipment, but every such ad does a specific selling job for commercial gas too.

Third, top level manufacturers provide not only promotion plans, but promotion materials for your use and that of kitchen equipment dealers. This material includes sales feature cards, broadsides, folders, envelope stuffers, and temperature charts. It includes even specialized proposals, equipment designed to sell the job and get the order for you or your dealer.

Fourth, we have adequate sales coverage to keep you and your kitchen equipment dealers up to date on all products and to educate retail sales personnel regarding our products and how to sell them. In addition, our men are ready, willing, able and anxious to work with you and your dealers on jobs where you need our assistance.

These are the important phases of our business. These deductions are the accumulation of experience, not only of myself, but of several dozen men who daily beat the bushes for orders. They are the result, also, of many hours at committee tables where progressive gas company men and manufacturers alike are attempting to improve the commercial gas business.

During this year A. G. A. has sponsored a "Proof of Profits" sales campaign to promote commercial gas equipment

(Continued on page 38)

A note for your calendar

"Burnt Toast for Breakfast" will be the fare served up by Fred Vollmer, president of the National Restaurant Association, when he speaks before the Commercial Gas Breakfast, at 8:30 a.m., November 13, in the Small Ballroom of the Hotel Roosevelt, New York. Mr. Vollmer is also vice-president of The Stouffer Corporation.

The Commercial Gas Breakfast is a highlight of Hotel Show Week. Leaders in the commercial cooking field are planning to attend the breakfast and to visit the giant A. G. A. Combined Commercial Gas Equipment Exhibit at the Hotel Show, Grand Central Palace, November 1 to 14.

The natural gas supply looks highly favorable, but far-sighted managements are giving careful thought to substitutes

Study synthetic natural gas

By C. F. DeMEY

Vice-President
The Columbia Gas System
Service Corp.
New York, N. Y.

The developing and nurturing of our gas supply is probably the most important single activity among the various problems of running a natural gas public utility. Some industry members have undertaken preliminary reviews of the situation and The Columbia Gas System Service Corp. is studying the problem of producing natural gas substitutes from coal by various methods. Though the gas supply situation looks very good, it is the thinking in Columbia that the study of developments in the fields of coal gasification and gas synthesis should be continued.

"Substitute gas" made by these processes would be for the supplementing or even complete replacement of natural gas on a permanent basis if conditions so require. The relatively high production investment necessary per unit of capacity precludes operation at low load factors, thus the substitute gas supply is somewhat comparable in its economics to present long transmission line operation.

During the last 25 years the proved reserves of natural gas have varied from 20 to 30 times annual production, with the latest calculation showing a ratio of slightly more than 24. Our industry has maintained a proved reserve backlog consistent with its market requirements, despite the quadrupling of natural gas consumption.

Even if we could accurately estimate needs for natural gas during the next 25 or 30 years we are not, at the present time, able to forecast with any degree of certainty when substitution of a synthetic natural gas will become necessary. Our natural gas supplies appear to be adequate and we have no positive evidence as yet of a definite remaining life.

One important variable in the demand picture that must be considered when predicting future market requirements is the cost of service to the ultimate customer. When present inflationary trends are fully reflected in the natural gas rates, as they inevitably must be, the huge predicted demands for natural gas may not fully materialize. Continued efforts to bring the presently inadequate domestic and industrial rates up to a level approximating a more rational relationship with other fuels will no doubt result in lower ultimate market saturation than anticipated.

Complicated by variables

Such a leveling off of consumption will put off the need for substitution. . . . But it seems impossible to look into the distant future and make reasonably close predictions as to over-all gas requirements and supply. There are too many variables which must be considered and which are not under the control of our industry.

Within the past 30 years the development of welding and other transmission techniques have spurted to keep pace with the growing demand for gas and the discovery of huge new resources in the Southwest. In the same way, when the ratio of proved reserves to annual production begins to decline, the industry will keep pace with the demand for gas by stepping up research and experimentation in the synthetic or substitute gas field. A sound basis for future development is now being laid, but since there is a relatively small need at present and in the foreseeable future progress has been slow.

Another indication that the era of substitute natural gas may be approaching will be the increased cost of gas delivered to our distribution systems by the pipeline companies. When a natural gas substitute can compete with straight natural gas, the substitute problem will be solved automatically from an economic standpoint and the reserve ratio will become somewhat academic.

Judging by present developments, it would seem that the smallest plant which would be economically practical would have an output of some 100 billion Btu's per day. It would probably take almost five years to design such a plant and to get it on stream, even if we will have decided on its type and location. Because of this time lag in planning, erecting and putting into operation a plant for making substitute gas, it seems advisable that we be as nearly ready as possible to proceed when the evidence is at hand that such action is required.

We cannot say today which of the various processes of producing substitute gas will eventually prove best; that is why research is needed. Some engineers

Abridged version of a paper delivered at an Operating Section session, A.G.A. Convention, Atlantic City, October 27-30, 1952.

believe that gas made from oil will come into the picture at one place or another according to the price and proximity to the source of supply of suitable oil. Eventually coal must be the major raw material, hence it is natural to consider the various procedures suggested for making blue water gas from solid fuels of low cost, and of converting the water gas to a rich gas by contacting it with a suitable catalyst at elevated temperatures and pressures. A number of different methods for generating the water gas are now under investigation, and likewise various means for contacting the water gas with catalysts have been studied.

A careful study of plant location must be undertaken: The plant will eventually require large quantities of coal and water, hence nearness to a goodly supply of these materials is a practical necessity. Proximity to a large pipeline network which can absorb the plant's output at a relatively uniform rate is a very important consideration.

Heavy coal, water needs

The plant will require somewhat more than 6500 tons of coal per day, and this calls for the necessary coal storage and handling equipment. Water requirements are some 15 million gallons daily. The output or generating capacity for the mixture of carbon monoxide and hydrogen is approximately 400 million cubic feet per day.

An oxygen generating unit is a necessary part of the plant; this is something relatively new in the production of gas in this country, although it has been found most useful in the gasification of certain non-coking coals in Europe. Based on the assumption that the efforts now being made culminate in the development of a process adapted to economically gasify any kind of coal in a granular to powdered state in a stream of oxygen and steam, an oxygen generating unit having a daily capacity of 90 to 95 million cubic feet will be required.

Besides the multiple gas generating units there will be the necessary cooling, scrubbing, pumping and purifying equipment and a number of reaction vessels confining the synthesis catalyst, through which the purified carbon monoxide and hydrogen gas are passed to promote the synthesis of methane and other light hydro-carbons.

First the coal is prepared and sized in accordance with the selected gas making process. The gas produced from the prepared coal, referred to as synthesis gas, is comprised essentially of carbon monoxide and hydrogen with more or less carbon dioxide. This gas is freed from most of the carbon dioxide by washing it with water and freed of sulfur compounds. This last step may be of very great importance according to the type of synthesis, the nature of the catalyst, and the initial sulfur content of the raw synthesis gas. In the event that the synthesis gas does not contain hydrogen and carbon monoxide in the proper ratio, the ratio is changed by treating the gas with steam at elevated temperatures in contact with an iron catalyst.

The purified synthesis gas is then passed at high pressure through the reactors contacting the catalyst for an appropriate period of time at a temperature of the order of 700° F. The hydrogen and carbon monoxide react in contact with the iron catalyst forming chiefly hydrocarbon gases with some carbon dioxide and water vapor. The gas leaving the reactors is cooled, and scrubbed to remove moisture, readily condensable hydrocarbons and carbon dioxide. This is the finished, substitute gas.

One can predict practical operation with the production of gas having a calorific value of 800 to 1000 Btu. As the heating value is raised from 800 to 1000 Btu the cost per Mcf as well as the cost per therm increases.

The unit capacity cost of a production unit will be relatively great. Hence its operations will normally be held as uniform as conditions permit. This means that during the summer its product must be delivered either to underground storage, to seasonal markets which will purchase the output at reasonable rates, or lacking either of these facilities, the plant would supply as much of the base load requirements of existing markets as conditions might permit.

It is seen therefore that the location of the plant will be affected by a number of factors which influence its operating costs and output schedules. Furthermore we are not now able to decide upon the exact types of plants which will be built. For these reasons current estimates of the cost of substitute gas have varied widely even though in all cases 95 percent to 100 percent load factors have been assumed.

If coal were delivered at the plant at $4.00 per ton the current cost of substitute gas delivered to the pipeline has been variously estimated at between 55¢ and 65¢ per Mcf. The cost of process fuels included is between 27¢ and 32¢ or some 50 percent of the total. For each $1.00 change in the cost of coal the cost of gas will change about 6¢ per Mcf. Thus if coal is $6.00 per ton the above cost would be about 67¢ to 77¢ per Mcf.

While these costs seem high at the present time compared to a 40¢-45¢ cost for Southwestern natural gas delivered to the Pittsburgh area, we are only at the beginning of a large-scale coal gasification research and development program and there is every reason to anticipate a relative reduction in substitute gas costs. Conversely natural gas rates appear to be increasing as a result of inflationary pressures long overdue.

Process not applicable

The recently publicized coal hydrogenation operations by the Bureau of Mines and the Union Carbide Company have no place in the search for a substitute gas. The hydrogenation process is much more costly per unit of product than gasification and while it produces hydrocarbons, they belong to a different group of hydrocarbons not particularly suited for producing gas but very valuable in the chemical industry.

The industry is now highly integrated and will no doubt become more so, hence few individual companies can long remain detached from this basic problem. Curtailments and restrictions are not a substitute for a supply of gas. We should undertake to supply adequately all present and future gas customers. To ignore this responsibility is to court serious economic losses to our industry.

Continued research and study of the supply problem are essential and should be a permanent part of our PAR activities. When the need for a substitute natural gas arises we should be prepared to start substitution with as little change in gas characteristics and operating economics as possible. Unless such adequate preparations are made our industry may once again be subjected to the strains of gas shortages with consequent danger of market loss to competitive services.

The superiority of gas refrigerators inspires good salesmanship and rewards all-out merchandising support

Accent refrigerator sales

By A. E. LEE

Director, Utility Division
Servel, Inc.

Against a quarter-century background of development, experiment and expansion of gas refrigeration, Servel, Inc. is instituting a comprehensive program of promotion and merchandising.

During these 25 years, the gas refrigerator has grown in sales volume and consumer popularity, and has dominated the markets in many places. Fluctuation in consumer acceptance has been in direct proportion to the amount of dealer sales effort.

In 1940 there were 40 towns where gas companies crusaded vigorously by using salesmen exclusively on the gas refrigerator. These ran from one salesman in a small town to 50 in Milwaukee. This very successful movement followed the pattern set earlier in Philadelphia where, with real profit to all, 66 exclusive salesmen had taken the gas refrigerator from 125 installations in the city to 26,000 in a few years. This aroused intense interest on the part of dealers and their participation expanded sales volume another fifty percent.

The gas refrigerator accounted for approximately ten percent of the three million refrigerator sales in 1940. When the numbers of gas and electric meters of that year are compared, and when we note the many combination company areas where the gas refrigerator lay dormant without strong utility support and participation, this sales record appears even more outstanding.

Sales efforts were interrupted by wartime curtailment of civilian production. But the outstanding performance of gas refrigerators, backed by competent and essential gas company service, expanded this acceptance still further. During, and immediately after the war, each survey showed that a much greater percent of future buyers would turn to gas refrigeration.

A. E. Lee, head of the utility division that Servel created to promote gas refrigerator sales, reports production and promotion plans

Postwar expansion plans were hindered by materials shortages and sales efforts were complicated by the return of the buyer's market. During 1949, the full shock of consumer resistance cut the percent of total market for gas refrigerators to nearly half the pre-war figure. At the same time, executive managements of gas utilities were faced with many new insistent and stubborn problems of gas supply, finance and rates. With sales flowing freely through 1948 to absorb all available fuel and appliances, perhaps sales promotion came unwittingly to hold a position of low priority in executive attention.

According to reported figures, the 14,000 gas industry retail salesmen of prewar had shrunk to 3,000 and the process of rebuilding sales organizations was static. The impact of this came full force to the gas refrigerator, since its economic dependence upon gas company retail sales organizations was inescapable.

Without the creative force of gas company salesmen to keep alive the idea and the superiority of gas refrigeration, dealer participation began to drop as they reacted to the stronger public acceptance of electric refrigeration. Even with the market upswing in 1950 the percent relations of gas refrigerators continued to drop. Then came the market drop in 1951 and down went the volume to a figure of many years ago, and the gas refrigerator's market percentage went even lower. More disturbing, Servel's loss became excessive on the gas refrigerator, bringing the threat to survival.

In an effort to stem this ebb tide of sales, Servel made a major redesign of its gas refrigerator, expanded its distributor-dealer coverage and went all-out to produce a fully competitive product as to models, features and prices.

Now, in 1952, every effort is being made by Servel to clarify its position with gas refrigeration; to clear up product problems which stem from rapid design changes; to produce the gas refrigerator as the finest refrigerator in the market in *every* sense; to prepare for future products that will fortify the gas refrigerator

Abridged version of an address before the New Jersey Gas Association, Spring Lake, September 5, 1952.

and insure its continuance and expansion and to invite the fullest cooperation of gas utilities for our mutual benefit.

Among these efforts are Servel's recently issued statement of policy on gas refrigeration, its setting up of a utility division and direct sales to gas companies for multiple housing, schools and service requirements.

In 1953 Servel will further pursue its market objective of becoming the leader of the complete field and category of refrigeration. Window air conditioners, food freezer cabinets and conventional electric household compressor refrigerators will be announced. Servel's return to the household electric refrigerator, after a lapse of 18 years, should provide no impediment to the gas refrigerator, but should in particular enter market areas closed to gas refrigeration and provide vitally needed volume to permit closest competitive approach in design and production costs for the gas refrigerator. While a gas range or water heater competes for volume, price and design with other gas ranges and water heaters, the gas refrigerator is different and is compelled to compete with the biggest brand names in the electric refrigeration field, where complete national distribution and big volume prevail.

Widen gas field

Of still further interest, the all year air conditioner will have its greatest impetus in 1953 by the addition of new gas-operated products; these will open the full market for gas air conditioning and make very real the discussions of recent years about filling the summer valley. Air conditioning has now "come of age." Gas air conditioning is the other side of the gas househeating coin. It will surely inspire a rapid expansion of gas industry direct and promotional support.

The item of first importance and dollars to Servel is, of course, the gas refrigerator, but it is likely that gas air conditioning will soon pass it.

The decisions during the coming few months will decide the up-hill or the down-hill routing of gas refrigerator sales. We can create a new era in gas refrigeration. If enough companies will choose to use the gas refrigerator for its great value in spearheading a drive to restore strong public approval of the superiority of all domestic gas appliances, such support will place gas refrigeration again on the high road to the distinguished success to which it is entitled by virtue of its genuine merit.

Whenever and wherever good salesmanship has been put behind the gas refrigerator, it has always responded promptly, profitably and in volume!

There are several reasons why this is true. The product and its performance are the finest of all refrigerators and a superior product inspires and invites good salesmanship. It is a different product with characteristics that are interesting to present and they open up imaginations and encourage confident and enthusiastic elaboration by a salesman.

The gas refrigerator is a salesman's natural. Men love to sell it and it raises the level of salesmanship for every man who handles it.

Before the war there were several gas companies with separate sales groups on refrigerators, ranges and water heaters. In one gas company of 180,000 meters separate organizations of 50 salesmen each were built for each of the three products. But only the refrigeration department could maintain 50 men. The others eventually got down to 20 and 12 men. In refrigeration, their earnings were much higher and enthusiasm was constant.

Why was this true when gas ranges and water heaters and not gas refrigerators have the public acceptance and should be easier to sell?

The essential difference seems to be that where public acceptance is strong, salesmanship is often weak. Men are prone to offer products for sale and wait for the customer to buy, but with the gas refrigerator salesmanship at its best was needed, and it paid off. Salesmen needed to close sales, and, of course, orders are the measure of salesmanship.

Salesmen learned that the gas refrigerator lived up to their claims and made friends of customers for themselves and the gas company.

Sales organizations, when they are successful, are made up of two parts—the tangible and the intangible—and no organization can be truly successful without both.

The tangible part consists of men, supervisors, territories, compensation, training and meetings.

The intangible consists of interest, motivation, inspiration, enthusiasm, confidence and the mind to sell. These are more spiritual values than physical. But the difference between the two is the difference between just sales and successful sales.

Gas refrigeration can be the most valuable tool a sales manager can use in the building of the kind of creative retail sales organizations now so sorely needed by our industry.

We all know and believe that gas ranges, water heaters, and refrigerators provide the finest services and serve best the public interest. But in the appliance business we live in the most competitive world. We have arrayed against us:

1. A united electric industry with unanimity of purpose and programs;
2. A public imagination wide open on the wonders of the energy that comes through a piece of wire. Where light and power are needed the fascination is complete and this carries over into the field of heat where we all know the energy that flows through a piece of pipe performs the superior service;
3. A group of manufacturers of such prestige, size and power that the gas side cannot hope to match their advertising, promotional and publicity efforts and expenditures;
4. A market distribution system with so many electric devices and with so many outlets and men that gas appliances become dwarfed before the public eye.

However, it is interesting to note that today electric appliances with the rarest exception, depend upon the buying interest of the public rather than selling effort in the market places.

Creative salesmanship wins

A rare exception is, of course, the case of a distant relative to the gas refrigerator. The Electrolux cleaner, depending on direct to the home selling, now secures between 40 and 50 percent of total sales of all vacuum cleaners.

It is therefore offered for serious consideration in our industry that the best way to match the power of gas appliance competition, is to bring it into balance with creative salesmanship.

We cannot match dollars, advertising, manufacturer prestige, retail outlets or public buying interest. But we can provide full compensation for these with salesmanship. Salesmanship does not cost money, but makes money.

This does not imply any cessation of our effort to the limit of our capacity. We shall continue to spend for advertising,

(Continued on page 39)

Industry news

A.G.A. announces new publications

LISTED HERE are publications released by American Gas Association during October, up to closing time of this issue of the MONTHLY. Information in parentheses indicates audiences for which each publication is designed.

Accounting

● **Proceedings of National Conference of Electric and Gas Utility Accountants—1952** (for all accountants). Available at A. G. A. Headquarters, at $2.50 for members, $3.00 for non-members.

Laboratories

● **American Standard Approval Requirements for Domestic Gas Ranges, Z21.1-1952** (for manufacturers, utilities and code officials). Sponsored by American Gas Association, available at Headquarters or Laboratories, $2.00.

● **American Standard Listing Requirements for Automatic Valves for Gas Appliances, Z21.21-1952** (for manufacturers, utilities, code officials). Sponsored by A. G. A., available at Headquarters and Laboratories, $1.00.

● **Addenda to American Standard Approval Requirements for Central Heating Gas Appliances, Volume II, Gravity and Forced Air Central Furnaces, Z21.13.2a-1952** (for manufacturers, utilities, code officials). Sponsored by A. G. A., available at Headquarters and Laboratories for $.50.

● **Addenda to American Standard Approval Requirements for Gas Water Heaters, Z21.10b-1952** (for manufacturers, utilities, code officials). Sponsored by A. G. A., available at Headquarters and Laboratories for $.25.

Safety

● **How Injuries to Gas Men Might be Avoided** (for safety directors and operating personnel). Edited by Howard Cook. Available from A. G. A. Headquarters, free.

● **Review of Fatal Injuries in the Gas Utility Industry during 1951** (for safety directors and operating personnel). Prepared by the A. G. A. Bureau of Statistics, available from Association Headquarters, free.

Statistical Bureau

● **Monthly Bulletin of Utility Gas Sales** (for sales managers, statisticians, banks, investment houses, newspapers and appliance manufacturers). Available from A. G. A. Bureau of Statistics, free.

GAMA range makers propose sales promotion program

GAS RANGE manufacturers have agreed on an industrywide sales promotion program by the entire membership of the Gas Appliance Manufacturers Association's domestic range division.

Meeting in Cleveland recently, the largest group of gas range manufacturers ever assembled at a single meeting discussed all phases of the industry's promotion problems. The "CP" Program and the proposed "Operation Sales" campaign were top items on the agenda.

The manufacturers voted to recommend to GAMA's board of directors a program which will be supported by all members of the industry on the basis of units shipped. The recommendation calls for an all-inclusive range promotion campaign covering both "CP" and non-"CP" gas ranges.

It was further suggested that all manufacturers be urged to produce ranges built to "CP" standards, and that all manufacturers participating in the program be eligible for "CP" membership.

Committees are being formed to study various promotion possibilities and to prepare specific program suggestions and budgets, according to E. Carl Sorby, chairman of the GAMA range division.

A.G.A. cited by Safety Council for home safety education

THE NATIONAL SAFETY COUNCIL has awarded the American Gas Association a certificate of commendation and a citation for meritorious activity in home safety education during the year 1951-1952.

The award and citation were bestowed in recognition of the work A. G. A. has done through the distribution and effective promotion of its safe installation standard for gas appliances among architects, builders, utility companies, enforcement agencies and home owners. The citation also praised A. G. A. for its Laboratories testing and approval plan for domestic gas appliances, and for articles in A. G. A. MONTHLY and other magazines.

The new safety standard ASA Z21.30 is a code to insure proper installation and correct venting of gas appliances. It has been enacted into statute in New York State, Wisconsin, and in Philadelphia and many smaller cities and communities. It has been adopted as the standard of the National Fire Protection Association and the National Board of Fire Underwriters, replacing their prior standards in this field.

For more than 25 years, the A. G. A. Laboratories at Cleveland and Los Angeles have tested domestic gas appliances and equipment to assure customers of their safety, durability and efficiency. Today more than 97 percent of gas appliances sold bear the A. G. A. Seal of Approval, signifying that they have passed the rigid tests and requirements set up by the A. G. A. and adopted as American Standards.

National Safety Council lauds A. G. A. for work in home safety education this year. At presentation of citation for meritorious activity and certificate of commendation are (l. to r.): C. George Segeler, A. G. A.; Lee Warren James, National Safety Council; Charles E. Bennett, president, The Manufacturers Light and Heat Co., Pittsburgh, and past-president, A. G. A.; Frank C. Smith, president, the Houston Natural Gas Corp., and newly elected president, A. G. A.; H. Carl Wolf, managing director, A. G. A.

World record well being drilled in New York

NEW YORK STATE Natural Gas Corporation is currently drilling the deepest cable-tool well in the world, 18 miles northeast of Elmira and 18 miles south of Ithaca. Latest reports say the well, called the Kesselring, drilling at a cable-tool world-record depth of 10,612 feet, and anticipations were that drilling may continue to 11,000 feet or more.

Manufacturers Light & Heat Co., in drilling the Barton well in the Summit gas field in Fayette County, Pa., had established the previous world record of 10,312 feet for a well drilled by the cable-tool method.

New York State Natural geologists point out that even though the Kesselring well—a wildcat well in a pioneer area—may not eventually prove a producer of gas, much will be gained in the way of new and valuable geological information.

John Hendrickson, a production expert with the corporation, said that "by undertaking such projects as the Kesselring exploratory well, New York State Natural hopes to find new sources of gas production in formations of older strata."

German executive reports on American gas industry

DR. EBERHARD HECKER, director of the Hamburg (Germany) Gas Co., has made a report of a six-week trip through the American gas industry.

Starting with the description of oil-gas installations in a number of eastern cities, the report furnishes estimated elements of cost as well as technical data about the gases themselves. A substantial portion of the study is devoted to the competitive position of gas and electricity.

In the course of his trip, Dr. Hecker visited some 58 homes in various parts of the United States. He tabulated the age of the gas ranges, whether or not they were fully automatic, the type of refrigerator, water heater and air conditioning units. While he correctly implies that coverage of 58 home owners is not a statistical survey, he does draw certain conclusions from the fact that these were rather well-to-do families, and that all too often they had old equipment.

The last portion of the report includes graphic representation of the cost of gas computed to a common heating value basis such as would be used in Europe.

Dr. Hecker's report is available at the American Gas Association's library at New York City Headquarters.

Wisconsin utility accountants gather

AT THE ANNUAL meeting of Wisconsin Utilities Association's Accounting Section at Lake Delton on September 25 and 26, George F. Betts was elected chairman. Mr. Betts, chief accountant of the Wisconsin Natural Gas Co., was formerly the section's vice-chairman. He succeeds J. Prokop, chief traveling auditor of Wisconsin Power and Light Company. E. Gordon Black, vice-president and treasurer of Milwaukee Gas Light Co., was elected vice-chairman for 1952-53.

Speakers at the meeting stressed the public utility accountants' responsibility to the more than three million gas, electric and urban transportation customers in Wisconsin.

Fifth safety award goes to Baltimore gas workers

EMPLOYEES of the gas division, Consolidated Gas Electric Light & Power Co. of Baltimore, have won their fifth American Gas Association Safety Merit Award.

The gas division won the award for completing 1,358,170 disablement-free man-hours, worked consecutively from January 22, 1952 until April 30, 1952.

The award, presented by the Association to a utility or utility unit for a period of one million or more consecutive man-hours without an employee disabling injury, is a special certificate commending all employees for safe performance.

Utility donates ranges to Seattle schools

Norbert O. Fratt (center), vice-president and sales manager, Seattle Gas Co., shows deluxe gas range designed for school use to Samuel E. Fleming (left), city school superintendent and N. Henry Gellert, Seattle utility president

THE CONTRIBUTION of 93 laboratory-sized gas ranges, designed especially for school home economics classes, is the latest step in the Seattle Gas Company's public relations program. The utility has offered to replace all gas ranges in public schools at no cost this year, and every two years thereafter.

Manufactured to the utility's specifications by Rheem Manufacturing Co.'s Wedgewood Division, in Newark, Calif., the new "Seattle Miss" model is the first laboratory-sized range made with all the deluxe, automatic features of a modern gas range. It has four center simmer burners, full size oven and broiler, and an oven with glass door and light.

N. Henry Gellert, the Seattle utility's president, initiated the plan because he felt that school budget limitations too often prevent replacement of obsolete with modern equipment, so important in teaching tomorrow's homemakers. Cooperating with Mr. Gellert in the program were N. O. Fratt, vice-president and sales manager of Seattle Gas Co.; Clarence Graham, vice-president of the Rheem Manufacturing Co.; and James Graham, sales manager of Rheem's Wedgewood Division.

FPC halts increase

THE FEDERAL Power Commission has suspended a proposed increase in wholesale natural gas rates by The Cincinnati Gas & Electric Co., amounting to $127,500 per year, or 14 percent, for sales to its only wholesale customer, the City of Hamilton, Ohio.

This increase replaces and supersedes a previous one for $89,000 per year, which was suspended by the FPC in August.

Cincinnati Gas, in support of the $127,500 increase, had incorporated into its cost all the pending increases proposed by its suppliers, Central Kentucky Natural Gas Co. and The Ohio Fuel Gas Company.

Manufacturer moves

THE CHAMBERS CORPORATION, Shelbyville, Ind., gas range manufacturer, has moved its sales and advertising offices to Indianapolis.

Departments included in the move to 2464 North Meridian Street, are sales, advertising, service, order and billing, and traffic. Executive offices, purchasing, production, and engineering departments will remain at Shelbyville.

Institute home service at New Jersey

A HOME SERVICE department has been added to the facilities of The New Jersey Natural Gas Co., Asbury Park. W. D. Williams, vice-president in charge of sales, announces that the department will provide recipes and cooking hints; as well as offer demonstrations in homemaking and entertaining, cooking schools, speakers for club meetings, and an advisory telephone service.

Maryanne Jones, formerly home service advisor with the Minneapolis Gas Co., and assistant home service director for Minnesota Valley Natural Gas Co., will head the new department. Miss Jones is a home economics graduate of the University of Minnesota, and has done additional postgraduate work at Mankato State Teachers College, Minnesota. She will direct the work of a complete department of five graduate home economists.

Midwest Industrial Gas Council meets in Chicago

MORE THAN 125 members of the Midwest Industrial Gas Council convened in Chicago on September 19 for the 1952 fall meeting. The morning program was opened by H. Christiansen, midwest sales manager, Combustion Control Corp., who spoke on "Combustion Flame Failure Safeguard" and a new electronic safety control which may be used on all gas, oil, and pulverized coal burning equipment. He supplemented his talk with colored slides and movies. Robert Pixler, staff engineer with the Eclipse Fuel Engineering Co. then gave a talk on "Dual Fuel Burner Equipment."

The afternoon session began with the presentation of a sound film in color, "Welding America," portraying the construction of the new $185 million natural gas pipeline from Texas to Chicago. The film was shown by Mark V. Burlingame, vice-president, Natural Gas Pipeline Co. of America and the Texas Illinois Natural Gas Pipeline Co., who also spoke on "Underground Storage of Natural Gas."

Jersey utility worker wins McCarter Medal

THE McCARTER MEDAL, bestowed by American Gas Association to gas utility company employees for successful artificial resuscitation of a person overcome by gas, has been presented to John J. O'Donnell of The Public Service Electric and Gas Co., Newark. The medal and certificate were presented before the annual meeting of New Jersey Gas Association on September 5 by Vernon Stanton, association president.

Mr. O'Donnell was cited for his actions, when on March 24, 1951, he answered a call reporting a gas leak in a home. When he arrived at the scene, he found a man had been overcome by gas. Immediately after calling the police, he began the manual application method of resuscitation, continuing until the police squad arrived. Resuscitation was continued until the victim was out of danger and able to be moved to a hospital.

Manufacturer starts rental plan in Chicago area

CRIBBEN & SEXTON CO. will offer Universal gas ranges on a rental basis to multiple apartment house owners. First test of the Universal rent-a-range plan will be limited to the Chicago area and will be available only to owners or managers of buildings having 24 or more kitchen units.

In addition to the range rental plan, arrangements have been made with leading manufacturers whereby Cribben & Sexton will distribute appliances and equipment for complete kitchens, including wood and metal cabinets.

Electric utilities use record amount of gas

USE OF GAS by electric utility power plants during August exceeded 100 billion cubic feet for the first time, reaching a new record of 104,965,791,000 cubic feet. These figures were reported in the Federal Power Commission's monthly publication, *Consumption of Fuel for Production of Electric Energy.*

The August total represents a gain of 6.3 percent over the previous record of 98,709,939,000 cubic feet burned in the previous month, and was 18.7 percent above the amount burned in August, 1951.

The monthly publication is compiled from data filed with the commission by the electric utilities of the United States, and may be obtained from the FPC, Washington 25, D. C., for 10 cents.

New York State utility begins its second century

THE NEW YORK STATE Electric & Gas Corp. celebrated 100 years of public service with a series of centennial observances at various points in the state on October 28. The general observance was highlighted by employees' centennial dinner parties in communities throughout the company's service area.

The company was incorporated in October 1852 as the Ithaca Gas Light Co., with a capital stock of $75,000. It was, at that time, one of the leading business concerns in the small city of 7,000.

In a century, the capital investment has increased to more than $183,000,000 and the area served has been extended to 35 percent of the state. Meanwhile, Ithaca has grown to a city of 30,000.

Other cities in the company's present area with 100-year old gas service are Auburn, Elmira and Lockport.

Midwestern utility achieves savings

THE CITIZENS GAS and Coke Utility has announced a savings of almost $550,000 annually for Indianapolis gas users, starting with bills issued this month.

The savings will be achieved through the substitution on September 2 of 625 Btu gas for the 570 Btu gas formerly supplied. This change will result in a bill savings of about seven percent to the city's 120,000 residential users. Larger users will also benefit, but in a lesser degree.

The use of the higher Btu gas, in addition to affording lower rates to consumers, is expected to increase the utility's production and distribution capacity for handling peak loads in extremely cold periods.

Transfers offices

SURFACE COMBUSTION CORP., manufacturer of industrial, domestic and commercial heating equipment, has moved its offices to 10333 West McNichols Rd., Detroit. The firm, which has headquarters in Toledo, makes Janitrol domestic-commercial space heating equipment and Surface industrial heat treating furnaces.

Lundstrum, Bivens in new executive posts at Ohio Fuel

ALLAN W. LUNDSTRUM has been advanced to the presidency of The Ohio Fuel Gas Co., Columbus, succeeding William N. Grinstead, who died on August 2. (See A. G. A. MONTHLY, September, 1952.) Mr. Lundstrum was formerly vice-president and general manager of the utility, a subsidiary of The Columbia Gas System, Inc.

Everett D. Bivens succeeds Mr. Lundstrum as vice-president and general manager. Mr. Bivens, a former treasurer of Ohio Fuel Gas, has served since 1951 as vice-president and general manager of The United Fuel Gas Co., another Columbia subsidiary.

Mr. Lundstrum is a graduate of the University of Washington, and received a master of science degree from Massachusetts Institute of Technology. He entered the utility field in 1928 as an assistant engineer with the Columbia Gas System. During the intervening years, he has worked as gas rate specialist and operating consultant for Ebasco Services, Inc.; as deputy director of the Office of War Utilities; as president of Heating Research Corp., manufacturers of Safaire Gas Heaters; and as consulting engineer for Stewart Warner Corporation. Mr. Lundstrum is a member of American Gas Association, and is currently serving on the Manufactured Gas Department's Gas Production Research Committee.

Mr. Bivens served as auditor and methods accountant for the American Gas and Electric System, Charleston, W. Va., from 1918 to 1929. He then joined The Ohio Fuel Gas Co. as assistant treasurer and was made treasurer and a member of the board of directors three years later. In 1939 he was transferred to New York as treasurer, director and accounting officer of The Columbia Gas System Service Corp., and in 1947 he was named

A. W. Lundstrum

E. D. Bivens

treasurer of the parent corporation, The Columbia Gas System, Inc. In May 1951, Mr. Bivens was made vice-president and general manager, United Fuel and affiliated companies.

Mr. Bivens, too, is a member of American Gas Association.

Personal and otherwise

Brown progresses in Indiana Gas and Electric

A. B. BROWN, vice-president and operating manager of Southern Indiana Gas and Electric Co., has been named executive vice-president, general manager and director of the utility.

C. B. Froelich, company treasurer, was elected vice-president.

Mr. Brown has served the utility industry since he was graduated from Montana State College in 1923. His first job was as student test engineer with Westinghouse Electric Manufacturing Co., and the following year he joined the Ohio Edison Co., where he worked for two years as a test engineer.

In 1926, he joined the Southern Indiana Gas and Electric Company. Since then, he has been employed in various positions including boiler room foreman, test engineer, chief engineer, production superintendent, general superintendent of gas and electric operations, vice-president and general manager.

Mr. Brown is a member of American Gas Association, and a director of Indiana Gas Association.

Expand services

THREE HOME ECONOMISTS have been appointed to companies within the Charleston Group of the Columbia Gas System, Inc. In addition, eight new home service girls have been assigned to the United Fuel Gas Co., to work on the staff of Mrs. Wanda Ewing, system home service supervisor.

Miss Charlotte Shirey has been assigned to Virginia Gas Distribution Corp., Staunton; Miss Mary Nell Owens to Amere Gas Utilities Co., Beckley; Nancy Lou Camp to Central Kentucky Natural Gas Co., Lexington.

Assigned to United Fuel Gas Co. are Betty Hollister, Barbara Clark and Helen Petrakis, Charleston; Carolyn Thacker, Huntington; Geraldine Cartmill, Huntington; Elisabeth Mae Addis, Ashland, Ky.; Dorothy Bischoff, and Carolyn England, both attending the West Virginia University.

Hodgdon appointed assistant to director

FRANK E. HODGDON has been named assistant to Director Edwin L. Hall, American Gas Association Laboratories, Cleveland, Ohio.

In his new position, Mr. Hodgdon will perform general administrative duties, supervise Laboratories building and equipment, and act as personnel director. He succeeds B. A. McCandless, who has been transferred to A. G. A. Headquarters.

Associated with the Laboratories since 1939, Mr. Hodgdon has served in numerous engineering assignments. He has participated in various capacities in domestic, commercial and industrial gas research projects as well as in investigational work in connection with approval requirements. For the past three years he has served as chief methods engineer. He is a graduate of the Georgia School of Technology, with a degree in mechanical engineering and is a registered professional engineer in the State of Ohio.

F. E. Hodgdon

Howard W. Scott has been appointed chief methods engineer, succeeding Mr. Hodgdon. He will supervise requirements investigations assigned to the Laboratories by various requirements groups and also discharge other engineering duties.

Paulin and Schmidt promoted by Michigan gas utility

THE APPOINTMENTS of Roland R. Paulin as manager of operations and Karl E. Schmidt as engineer has been announced at Michigan Consolidated Gas Co., Detroit.

Mr. Paulin, a vice-president of the company, has served as its engineer since last February and Mr. Schmidt has been assistant engineer.

Mr. Paulin joined the company after his graduation from Purdue University in 1926 as a chemical engineer. He has served as general foreman of the manufacturing department, heating engineer, assistant to the sales manager, supervisor of industrial sales and assistant manager of operations.

Mr. Schmidt started as a house heating engineer in the sales department after receiving his master's degree in mechanical engineering from Wayne University and the University of Michigan in 1936. He served in the pressure, production, and laboratory and testing departments before becoming an assistant to the engineer in 1950 and assistant engineer in 1951.

Both men are members of American Gas Association, the Michigan Gas Association and the Engineering Society of Detroit.

Names Baird president

GEORGE BAIRD of New York, formerly executive vice-president, has been elected president of the Southwestern Development Co., succeeding P. C. Spencer. Mr. Spencer is president of the Sinclair Oil Co., and resigned from Southwestern recently.

Southwestern Development is a public utility holding company which owns all of the outstanding stock and other securities of Amarillo Gas Co., Amarillo Oil Co., and Red River Gas Co., of Amarillo, Texas, as well as the Clayton (N. M.) Gas Co., the Dalhart (Texas) Gas Co., and the West Texas Gas Co. of Lubbock.

New directors of Southwestern, all Texans, are Ross D. Rogers, Amarillo, George W. Dupree, Lubbock, and Thomas F. Cartwright, of Amarillo.

Mr. Baird is a member of American Gas Association.

Two advance

JAMES A. SCANLON has been elected a member of the board of directors and John A. Bieber has been elected an assistant vice-president, of The Ohio Fuel Gas Co., Columbus.

Mr. Scanlon, vice-president in charge of rates and regulations, came to this country from Ireland in 1922, and soon after started work with the Union Natural Gas Co., Pittsburg. He was transferred to Ohio Fuel in Columbus in 1925, elected treasurer in 1950 and vice-president last February.

Mr. Bieber has been Ohio Fuel promotion manager. In his new position he will represent Ohio Fuel in contacts with wholesale and major industrial customers.

Mr. Bieber joined Ohio Fuel in Columbus in 1933 as a cadet engineer. He later served as district service manager, local manager and district sales manager. In 1948, he was appointed general sales manager.

Both Mr. Bieber and Mr. Scanlon are members of American Gas Association.

Rauch on MSA team

FRED R. RAUCH, Cincinnati Gas and Electric Co. vice-president and director of industrial relations, recently journeyed to Austria with four other Cincinnati industrial leaders to present a management seminar under the Mutual Security Agency's technical assistance program. Another member of the team was Lawrence B. Murphy, vice-president of The Williamson Heater Co., an A. G. A. manufacturer company member.

The purpose of the seminar, arranged through the National Management Council, was to help Austrian industrial firms become more self-sufficient.

The Cincinnati team was noteworthy in that it was the first ever to be selected from a single city. Each member led seminars in Vienna and Salzburg on a particular area of management responsibility. Mr. Rauch dealt with the general field of human relations.

Mr. Rauch, a member of American Gas Association, is currently serving on the Personnel Committee.

Harold Langdon Gaidry

principal gas engineer for New Orleans Public Service Inc., died September 27 in a New Orleans hospital. He was 54 years old.

Mr. Gaidry, a graduate of Tulane University, received his bachelor's degree in engineering in 1923.

In 1924, he joined Public Service as an equipment engineer in the railway department. He then moved to a prominent position in the company's gas department, and later was appointed principal gas engineer in the central engineering department.

Mr. Gaidry was a member of the American Gas Association, serving at various times as chairman of the Operating Section, chairman of the Section's Distribution Committee, and Association vice-president. He was also a member of the American Public Works Association, the National Association of Corrosion Engineers, the American Water Works Association, and the Chamber of Commerce of the United States.

He is survived by his wife, the former Mary Easton Buck, his mother, a sister and a brother.

John J. Daly

retail sales manager for The Connecticut Light and Power Co., died on September 15 in Waterbury, at the age of 54.

Mr. Daly joined the Connecticut utility in 1925 as commercial manager. In 1935, he became commercial manager at Norwalk, and in 1942 joined the Air Force, holding the rank of major. After 44 months of service, he returned to CL&P as sales promotion manager in Waterbury. He was appointed retail sales manager in 1946, the position he held until his death.

Mr. Daly was a past sales director of the New England Gas Association, a member of American Gas Association and a member of the dealer coordinating committee of Edison Electric Institute.

Surviving are his wife, Anna Daly; a son, Major Edward J. Daly who is serving with the Air Force; and a sister.

Statement of the Ownership, Management, Circulation, Etc., Required By the Act of Congress of August 24, 1912, as Amended by the Acts of March 3, 1933, and July 2, 1946

Of American Gas Association Monthly published monthly, except for July and August. Bi-monthly then; at Brattleboro, Vermont for October 1, 1952.

State of New York, County of New York, ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Laurance C. Messick, who, having been duly sworn according to law, deposes and says that he is the Editor of the American Gas Association Monthly and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily, weekly, semiweekly or triweekly newspaper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the act of August 24, 1912, as amended by the acts of March 3, 1933, and July 2, 1946 (section 537, Postal Laws and Regulations), printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, American Gas Association, Inc., 420 Lexington Ave., New York 17, N. Y.; Editor Laurance C. Messick, 420 Lexington Ave., New York 17, N. Y.; Managing Editor, None; Business Manager, None.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

American Gas Association, Inc., 420 Lexington Avenue, New York 17, N. Y.; President, Charles E. Bennett; 1st Vice-President, Frank C. Smith; 2nd Vice-President, Earl H. Eacker; Treasurer, Edward F. Barrett; Assistant Treasurer, V. T. Miles; Managing Director, H. Carl Wolf; Secretary, Kurwin R. Boyes (all of 420 Lexington Avenue, New York 17, N. Y.).

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is ..... (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.)

LAURANCE C. MESSICK, Editor.

Sworn to and subscribed before me this 22nd day of October, 1952.

(Seal)

LAWRENCE P. BROWN
NOTARY PUBLIC, STATE OF NEW YORK
Residing in Queens County
State No. 41-0453000
Qualified in Queens County & N. Y. County
Commission Expires March 30, 1953

Gas faces challenge

(Continued from page 4)

lem. Sales of commercial cooking appliances have not been keeping pace with the increased sales and revenues of gas. Competitive threats to this gas load, if not checked, will weaken the entire industry.

Our Accident Prevention Committee, and the Safety Committees of the Operating Section and the Natural Gas Department, have been very active this year. The frequency of accidents to gas industry employees has been steadily reduced over the past four years. Gas companies reporting to the National Safety Council indicate there has been a 12 percent reduction in the frequency of employee accidents for the first six months of 1952, as compared to the same period of 1951.

This is good news. But in the matter of public safety, another group of public utilities is well ahead of us. The railroads, by hard work and unified action, have convinced the American public that there's maximum safety in railroad travel.

The gas industry, in very plain language, has not done as good a job in convincing the public of the safety aspects of gas service. Today this public opinion poses a problem we cannot and must not ignore. We must restore the confidence of the public in the safety of our product, our pipelines, our compressor stations, our appliances and our related equipment. An Executive Safety Committee, authorized by the Executive Board, is now reviewing A. G. A. safety activities in all phases of gas industry operations and will recommend procedures to deal with them.

Consideration is being given to how our meetings can be streamlined and also made more productive for members, with minimum demand on their busy time. A. G. A. has a wealth of valuable information that should be used by more of its members. Members are urged to utilize the A. G. A., its library, and its information files.

These are just a few highlights of A. G. A. activities.

Our industry faces one of its greatest tests in the years ahead. We can either rise or fall in 1953. We cannot stand still. If we see the danger signals and act accordingly, we'll steer free from many serious troubles in future months and years. What are some of the danger signals?

The sale of gas appliances, with the exception of house heating, have not kept pace with the sale of competitive appliances. This is a serious threat to our base load!

We sense a failure in the marketing of high quality gas appliances as compared with the number of high quality competitive appliances sold.

There is evidence that we are failing to capture the replacement market!

Indications are that inferior gas equipment is being installed in too many new homes!

Recent surveys indicate that too many customers are not aware of the excellent performance of modern gas appliances!

Are we willing to accept the responsibilities that our progress has created? Are we bending every effort to improve our safety practices? On our base load problem, are we going to have more talk or more action? Are we sincerely trying to improve our customer service?

How are your public relations? If you say, "very good," are you reporting from facts recently obtained? Or, is someone down the line just kidding you? Have you made an effort to find out for yourself what the men and women in your community actually think of gas and the gas company? Will you pull a strong oar in improving the gas industry's reputation from coast to coast?

It is difficult to keep operating costs within budgets created from gas rates established years ago. Almost every gas company in the country has been compelled to raise its rate this year, is requesting a rate increase, or plans to do so very soon.

Gas companies are in a very unusual and difficult position today. They have to pay more for gas, more for labor, more for equipment, and more for taxes.

Our industry is doing its utmost to bring better living to more and more people. We deserve to be looked upon more realistically than is the case today. Possibly we have welcomed the adulation of the press without having given it an opportunity to tell the rest of the story. Unless this is done, and unless more people understand the impossibility of doubling labor costs and doubling material costs without commensurate increases in our product's selling price, then the nation will never receive the ultimate advantage of gas service. It will never gain full use of one of the country's greatest resources that only now is marching on to maximum contribution to a still better way of life.

In outlining a program for future progress, our entire industry must be united as a cooperative dynamic enterprise. We must coordinate our procedure and act according to careful strategic planning. We must be farsighted, imaginative and forceful in dealing with the problems of competition, expansion and economic stress.

The A. G. A. is doing a good job. But, it would be wrong indeed, to think there's no opportunity for all of us to make it a better trade association than it is today. Instead of asking that somewhat familiar question, "Why doesn't the A. G. A. do something about it?" why not ask ourselves, "Am I doing all I can to help A. G. A.?"

The *New York Times* reported on March 10th, "The metamorphosis that occurred in the natural gas industry is the story of private enterprise and individual effort. It is one of the paradoxes of our time."

Are you tired of the lip-service given to free enterprise? There was a day when American industry never heard that phrase. There was no need, since industry and business planned and progressed freely with minimum contact with agencies, bureaus, commissions or alphabet groups.

As you know so well, even more regulation of business and industry is being advocated. Certainly we do not want this to happen. A new theory of rate-of-return and other disturbing precepts are being advanced. These are endangering our ability to raise the capital necessary to render the type of service that the public demands and deserves. Not all regulation must be bad. But, our nation's industrial growth and our business progress was not achieved *by* regulation. We have grown, improved our service to the public, and prospered *despite* it!

We have demonstrated that more and more bureaucratic supervision is not required for our country's prosperity. Continued individual effort will carry the gas industry to even greater accomplishments.

Private enterprise is vital for our future. It is the keystone of American progress. Private enterprise is our heritage.

Vermont utility promotes Roberge in Brattleboro

LEONARD A. ROBERGE, Brattleboro, sales supervisor of the Central Vermont Public Service Corp., has been named appliance sales manager of the company.

Mr. Roberge joined the Central Vermont utility in 1936 as a stockman. Shortly afterwards, he was promoted to salesman and in 1946, named sales supervisor.

Patrick H. Mangan, Jr., formerly with the Beech-Nut Packing Co., has been named to succeed Mr. Roberge in Brattleboro.

Womans' place

(Continued from page 12)

service. It is time office managers faced a few facts about this, and realized how vitally important is the up-training of women employees to the future successful operation of our companies.

Over five million women are working in office occupations today. These women have varying degrees of ability. Breaking them down into the seven types of women who work should indicate to us which of them would most likely become permanent employees. The time has come to set up a plan for the uptraining of these women, in order to utilize the abilities of these women to their greatest possible advantage. There should be no reason for a shortage of good supervisors now or in the future, if companies generally will give to women the same opportunity for training they have given to men.

What type of work are women best suited to? Women have found their way into management jobs in almost every industry in the country, and in almost every capacity. Women are making the greatest strides in banks and insurance offices, and in printing and publishing companies. Over and above these areas, women are gaining recognition for their work in personnel, and as wage and salary administrators in all types of companies. The secret of their success in this field is their inborn interest in humanity.

As executives, women are coming into their own. Some people say it is because "Women haven't yet learned how to put their feet on the desk, or play a game of golf while thinking thru a problem."

One of the questions frequently asked in any discussion of a woman's place in management is "Why don't women like to work for women?" That was a problem at one time, but today it has become rather trite, and, if you're having that kind of difficulty, either you have the wrong woman as supervisor, or you have nincompoops for office employees. Why can't we check this old fashioned tendency of generalizing about women, and realize there are good and bad exceptions to every rule?

Doubtlessly some women supervisors are hard to work for. Some like to emulate men, dress like men and talk like men. Yes, even cuss like men. Nobody likes them, not only their subordinates. Others go to the opposite extreme, wear plunging necklines to the office and too much makeup and murmur ingratiatingly to their assistants, "Darling, would you mind terribly doing this for me?" Nobody likes them either.

But, there are also a lot of women executives who represent the new trend of women in management. These women are pleasant-mannered and well-liked by their employees. Every one of them seems to have a common denominator. They love the work they are doing. Because they love it, they think in terms of the work itself. And they conduct their offices on the basis of know-how, not on the basis of sex. They have advanced in their positions through hard work and the willingness to give more than full measure on the job.

A capsule description of our modern business woman that could be used as a measuring stick for women to be guided by, and for men to search for in their evaluation of working women could well be this: "She is a combination of the old and the new. She is the old-fashioned gentlewoman who has retained her charm, her femininity and her fastidiousness; but who has added a degree of smartness, a glow from the outdoors, a freedom of activity, an analytical mind, an indisputable sense of humor, and the 'ever-new' look of fashion." Generally speaking, today's successful business women are poised, well-dressed, intelligent, tolerant and courageous. All those things don't come easy to us, we work hard to acquire them, but acquire them, we must.

In the more progressive companies, top management has begun to realize that recognition of women's ability in the form of promotions has improved morale and spurred the interest of their other women workers. Recently, the head of a large manufacturing company, which had just appointed a woman supervisor over its entire correspondence division where a man had been employed before, said, "The effect on employee morale is marvelous. It has acted as a stimulant to our women workers who now feel that the opportunities for advancement are limitless."

Young girls stepping into office jobs today realize that if they do not work well and cooperate with their women supervisors, they are lessening their chances of becoming supervisors themselves. And it's up to you office managers to convey this same attitude to your women workers already on the job.

And how about men working for women? Isn't that another one of those much-discussed problems? Dr. Lilian Gilbreth, speaking before the National Office Management Association, said, "Some men don't like to work for women, some don't like to work for men, and some don't like to work for anyone. These are not the exceptions necessarily. If all the data were available, we would know the untruth of the statement that men do not like to work for women. If we are looking for successes rather than failures, we will win."

Men in business today, actually without realizing it, are thinking much more broadly regarding women in business. Maybe there are so many women in executive jobs now they're getting used to it, or maybe they feel instinctively the trend that is taking place, and know that refusal to accept women on an equal status is rapidly being classified as another form of isolationism.

Recently Hugh Wichert, past international president of Noma, said before a group of college graduates, "Let's get at this thing realistically and put more women into office jobs and work them up into supervisory and responsible positions. Let's quit blaming them and calling them difficult to live with and everything else. There is plenty of instabiliity in our own makeup if we look for it." And he continued: "Menfolk, adjust yourselves to the fact; yes, strengthen yourselves! And if it's fear, any man who can't hold his own with women in supervisory jobs ought to be replaced, right now!"

If there is more information and less prejudice the whole world will be a better place in which to live. You can all help bring that about. Will you do it?

Annual reports

(Continued from page 5)

sumers Power Co., Dayton Power & Light Co., Delaware Power & Light Co., and Derby Gas & Electric Corporation. Eastern Gas & Fuel Associates, Equitable Gas Co., Florida Power & Light Co., and Gulf States Utilities Company.

Hartford Gas Co., Honolulu Gas Co., Ltd., Houston Oil Co., and Interstate Power Company. Iowa Electric Light & Power Co., Iowa-Illinois Gas & Electric Co., Iowa Power & Light Co., and Iowa Public Service Company.

Iowa Southern Utilities Co., Kansas-Nebraska Natural Gas Co., Kansas Power & Light Co., and Laclede Gas Company. Lake Superior District Power Co., Louisiana Power & Light Co., Louisville Gas & Electric Co., and Lynchburg Gas Company.

Michigan Gas & Electric Co., Michigan Gas Utility Co., Minneapolis Gas Co., and Missouri Public Service Corporation. Missouri Utilities Co., Mobile Gas Service Corp., Montana-Dakota Utilities Co., and Montana Power Company.

Mountain Fuel Supply Co., National Fuel Gas Co., New England Electric System and New England Gas & Electric Association. New Orleans Public Service, Inc., New York State Electric & Gas Corp., Niagara Mohawk Power Corp., and North Shore Gas Company.

Northern Indiana Public Service Co., Northern States Power Co., Northwestern Public Service Co., and Northwestern Utilities, Ltd., Oklahoma Natural Gas Co., Pacific Gas & Electric Co., Pacific Lighting Corp., and Pacific Public Service Company.

Peoples Gas Light & Coke Co., Philadelphia Electric Co., Portland Gas & Coke Co., and Providence Gas Company. Public Service Co. of Colorado, Public Service Electric & Gas Co., Rio Grand Valley Gas Co., and Rochester Gas & Electric Corporation.

Rockland Light & Power Co., St. Joseph Light & Power Co., San Diego Gas & Electric Co., and Scranton-Spring Brook Water Service Company. Sierra Pacific Power Co., South Atlantic Gas Co., Southern Indiana Gas and Electric Co., and Southern Union Gas Company.

Southwestern Public Service Co., Springfield Gas Light Co., Toledo Edison Co., and Tucson Gas, Electric Light & Power Company. Union Electric Co. of Missouri, Union Gas Co. of Canada, Ltd., Union Gas System, Inc., and United Cities Utilities Company.

United Gas Corp. of Washington, Virginia Electric & Power Co., and Washington Gas Light Company. Wisconsin Electric Power Co., Wisconsin Power & Light Co., and Wisconsin Public Service Corporation.

Pipelines: Cities Service Co., and East Tennessee Natural Gas Company. El Paso Natural Gas Co., Mississippi River Fuel Corp., and Northern Natural Gas Company.

Panhandle Eastern Pipe Line Co., Southern Natural Gas Co., and Tennessee Gas Transmission Company. Texas Eastern Transmission Corp., Texas Gas Transmission Corp., and Transcontinental Gas Pipe Line Corporation.

The final awards of bronze, silver and gold "Oscar-of-Industry" trophies were made at the eighth annual awards banquet, Tuesday evening, October 28, 1952, in the Grand Ballroom of the Hotel Statler, New York.

Volume cooking

(Continued from page 26)

sales. Results have been spotty. The disappointment has been that too few gas companies have really done anything that would tend to improve their commercial gas sales, or hold the customers they now have.

The "Proof of Profits" campaign was designed specifically to encourage commercial sales promotion activity among gas companies. It need not be complicated. You need not even call it a "Proof of Profits" activity. We, the committee, are interested only in the activity. It is primarily important that you *do something*.

There is an old Chinese proverb that says, "Man who covers chair instead of territory is on bottom all the time."

Some gas companies are active in commercial promotion. For instance, The Peoples Gas Light and Coke Co., Chicago, conducted a "Proof of Profits" sales activity early this year. They kicked it off with a dealer dinner and general sales meeting with the dealers and dealer salesmen. Peoples Gas salesmen surveyed all commercial gas users prior to the campaign to find where obsolete equipment was operating. Pertinent information was relayed to the dealers. Then they mailed a special broadside to all users. The dealers followed through with another broadside and dealer salesmen followed up with sales calls. During the campaign 213 replacing commercial gas appliances were installed and 169 additional new appliances were sold. Said Jim Condon, manager of the commercial sales department of Peoples Gas, "The spirit with which the local kitchen equipment dealers entered into the 'Proof of Profits' campaign is indicative of the necessity of a campaign at this time. Any stimulus to business is always widely accepted by the dealers in Chicago."

An effective sales activity on a more limited basis was conducted in Philadelphia this year with the result that 165 commercial electric units were replaced by gas units, according to an A. G. A. report. I have a letter from Charlie Hanthorn, of The Philadelphia Gas Works Co., which reads in part: "It is my belief that we all must work together to outsell electric equipment and the sooner we start setting our house in order, the better off we will be."

Still another successful "Proof of Profits" sales activity was conducted by Washington Gas Light Company. It was a complete sales activity including a dealer party and prizes to dealers who did the best job. Results were most gratifying. Ed Fineran, manager of industrial sales, said regarding their sales activity, "There were five times as many modern gas commercial cooking appliances sold in the replacement field during the three months of our campaign as were sold during the same period of 1951."

Atlanta Gas Light Co. also sponsored a commercial sales promotion program this year, kicking it off with a dealer dinner, providing prizes, and closing with a victory dinner. Of this activity, R. S. Chapman said, "This sales activity resulted in a renewed feeling of cooperation between the dealers and the gas company. The total of new appliance sales was satisfactory both to the dealers and ourselves. An intangible result of the two dinner parties is that a much better feeling now exists between the dealers and their salesmen."

A commercial sales promotion, started prior to the "Proof of Profits" activity and most effective in total sales and other results, was sponsored by Oklahoma Natural Gas Company. Costs to the gas com-

pany were moderate and dealer sales increased 360 percent during the campaign period. Johnny Fretwell laid stress on "the value of dealer cooperation as well as the cooperation of manufacturers' representatives in a commercial sales campaign. The success of the past campaign I know will make it easier in the future to persuade the Oklahoma dealers in working up company campaigns of their own. We are planning on having another commercial sales campaign and I am sure that we will receive still greater support from the dealers during this campaign."

The commercial cooking business is big.

The commercial cooking business is growing.

The commercial cooking business is valuable.

Too much competitive commercial cooking equipment is being sold.

Adequate modern commercial gas cooking appliances are available to you.

Adequate advertising and sales promotion materials are provided by manufacturers.

Adequate trained sales help is available from manufacturers.

The industry needs prompt, active commercial gas sales promotion from each utility.

What price salesmanship?

(Continued from page 8)

of each company's chief executive is the best guarantee of execution.

Appliance manufacturers, with their assets at stake, are watching to see whether they can rely upon us to join with them in maintaining and extending our markets, which are identical. They are watching to see whether we will help ourselves by helping them to make it profitable to be a gas appliance manufacturer. Their markets cannot be maintained without utility leadership, and such leadership requires, on our part, realization, acceptance and action.

Gas refrigerator

(Continued from page 30)

promotion and publicity; to cooperate with every market agency seeking to distribute good gas appliances and equipment and to do these things more aggressively than ever before, with more manpower and wholehearted assistance.

Salesmanship offers the available and feasible means to provide a balance of power for gas and gas appliances.

There is no selling influence that can match the power of the face-to-face selling conversation of a good honest and enthused gas salesman in the home. When, with interest and persuasion, he gets acceptance and closes a sale for a modern gas appliance, he has produced a situation that matches and balances the competitive expenditures that gas cannot duplicate in the market places.

Such activity also builds the public acceptance for a greater dealer participation and interest. The more sales that are made, the more can be made, in the conventional channels of trade. "People buy what other people buy," is a familiar adage.

Any thought that aggressive gas company selling would be in conflict with dealer interests is unnecessary and this has been clearly revealed in one of our industry's largest and most successful companies.

The program of this company is remarkably successful and in complete balance. A strong dealer contact division works aggressively to expand dealer sales of all gas appliances, but finds its most productive results with gas ranges and water heaters where public acceptance favors the dealer's interests.

A powerful retail operation of more than 100 men goes daily into the homes of customers, primarily to present the story of gas refrigeration and to sell it. This program of featuring gas refrigeration has created the strongest possible sales force. They are of a mind to sell and will close a sale for a high quality range or water heater in a very short time and in most cases before a customer has started out to shop and receive a glamorous story on electric range or water heater. This, plus the management determination that their salesmen should not take a dealer's sale, has brought about a completely friendly and responsive dealer relationship.

This company also has a group to sell refrigerators, ranges and water heaters to the multiple housing field.

To cap this success story and the picture of balance by wise management, this company has a splendid service organization and policy that reveals the true picture of gas appliance service and its relationship to sales, and to public good will. There is no more effective bid for a customer's confidence, than what we all understand when we say, "good gas company service."

(Continued on next page)

CONVENTION CALENDAR

1952

NOVEMBER

10-13 •American Petroleum Institute, Annual Meeting, Chicago, Ill.
19 •American Standards Association, Waldorf Astoria, New York.
20-21 •Mid-Southeastern Gas Association, Annual Meeting, Sir Walter Hotel, Raleigh, N. C.
30-Dec. 5 •American Society of Mechanical Engineers, Hotel Statler, New York, N. Y.

1953

FEBRUARY

2-4 •A. G. A. Home Service Workshop, Baker Hotel, Dallas, Texas

MARCH

2-6 •American Society for Testing Materials, Hotel Statler, Detroit, Mich.
16-20 •National Association of Corrosion Engineers, Hotel Sherman, Chicago, Ill.
26-27 •New England Gas Association, Hotel Statler, Boston, Mass.
26-27 •Oklahoma Utilities Association, Tulsa Hotel, Tulsa, Okla.
30-April 1 •Mid-West Gas Association, Broadmoor Hotel, Colorado Springs, Colorado

APRIL

12-16 •A. G. A. Distribution, Motor Vehicles and Corrosion Conference, Hotel Sherman, Chicago, Ill.
16-18 •Florida-Georgia Gas Association, Hotel Biltmore, Palm Beach, Fla.
20-22 •National Conference of Electric and Gas Utility Accountants, Hotel Sherman, Chicago, Ill.
21-23 •Southwestern Gas Measurement Short Course, University of Oklahoma, Norman, Okla.
23-24 •Indiana Gas Association, Annual Convention, French Lick Springs Hotel, French Lick, Ind.
27-29 •Mid-West Regional Gas Sales Conference, Edgewater Beach Hotel, Chicago, Ill.
30-May 1 •A. G. A. Natural Gas Technical Conference, Edgewater Beach Hotel, Chicago, Ill.

MAY

4-8 •A. G. A. Industrial Gas School, Sheraton Cadillac Hotel, Detroit, Mich.
11-13 •Southern Gas Association, Annual Convention, Jung Hotel, New Orleans, La.
11-15 •National Restaurant Association, Annual Convention & Exposition, Chicago, Ill.
11-15 •National Fire Protection Association, Annual Convention, Edgewater Beach Hotel, Chicago, Ill.
12-14 •Pennsylvania Gas Association Annual Convention
20-22 •GAMA Annual Meeting, The Greenbrier Hotel, White Sulphur Springs, W. Va.

Personnel service

SERVICES OFFERED

Treasurer-Controller—Wide experience in organization and administration at policy-making level. Development of new and improved management facilities. Several years experience as supervisor of appliance sales and policies for medium sized New England gas utility. Appliance inventory control and general operating budgets. Excellent correspondent. Early experience in office management, credits and collections. Twenty-four years' experience in the public utility field. Ability to solve administrative problems with minimum degree of confusion. Excellent references, resume mailed on request. University graduate, degree in business administration. **1708.**

Gas Engineer—Chief engineer of a natural gas distribution company, 40,000 meters, with college training, seeks position as gas engineer or distribution superintendent of natural gas company in the midwest, south, or west coast. Experience in RW, constructions, cathodic protection, underground storage, measurement. Preparation of exhibits for regulatory bodies, and all phases of distribution work. Married, age 34. **1709.**

Manufacturers' Representative—Twenty-five years' experience as district, sales and general manager of utility company. Desires position as manufacturers' representative in Florida-Georgia area or will relocate if necessary. **1710.**

Gas Distribution Engineer entirely familiar with all phases of gas distribution, including low, medium and high pressure, steel and cast iron mains. Experienced in design, operation and supervision of distribution facilities such as meter, customer service, holder operations, regulators, mains and services. Familiar with manufactured, natural and propane gas operations. Has had actual experience in preparing and converting large and small distribution properties from manufactured and propane gas to natural gas. Knowledge of industrial and commercial applications. University graduate with a degree in Mechanical Engineering, excellent references, married. **1711.**

Sales Manager—Twenty-five years' experience in gas heating and allied appliance sales. Experience includes building successful sales organizations from start. Also retail and wholesale management background. Company consolidation makes change desirable. Have you a challenging sales management job? (47). **1712.**

Graduate Metallurgical Engineer desires position as Corrosion Engineer. Nine years' experience in automotive and pipeline field. **1713.**

Salesman—Four years experience in the gas field selling home appliances, domestic and commercial heating equipment, automatic controls. Desire position as factory salesman in the New York area. College graduate. Married (31). **1714.**

Sales Executive—Twenty-five years successful sales administration. Well grounded in advertising, sales promotion, dealer cooperation. All phases of gas company sales programs included in past experience. Interview readily arranged. **1715.**

Controller-Treasurer-Budget Director—Skilled administrator, presently employed as such by large utility. Keen analyst, gets things done minimum cost. Thorough knowledge modern accounting techniques, IBM, auditing, finance, costs, controls, budgets, systems and procedures credits, insurance, taxes, pensions, government contacts. Timely and accurate figures interpreted for management action. Effective controls painlessly applied. University trained-business administration, accounting, finance, statistics, law. Member Controllers Institute. Can relocate U. S. or abroad; knowledge languages. **1716.**

Engineer—Graduated M.E., well versed in manufacturing processes, who has been in responsible charge of engineering and production of gas appliances, is interested in a new connection at supervisory level in engineering department of appliance manufacturer or as plant manager. Please write for resume. (42). **1717.**

Consultant—Director of research, middle aged, present connection permanent, well experienced with gas fired equipment and accessories—from conception of an idea through to the final approved product. Exceptionally diversified background in design, research, testing, patents (have 25), utilization, production, etc., as consultant for several companies. Well acquainted with A.G.A. procedure and the gas industry in general. **1718.**

POSITIONS OPEN

Rate Engineer—New York consulting firm needs services of thoroughly qualified rate engineer who has had several years responsible experience with an electric and/or gas operating utility. In reply please give detailed resume of experience, education, personal information, and salary expected. Replies will be held confidential. **0664.**

Manager—Experienced in gas utility business to take charge of all local activities including operations, appliance sales, public relations and office reports. Carburetted water gas property with 4500 customers located in Pennsylvania. Attractive compensation plan including salary and commission on sales of appliances. Advancement opportunities. **0667.**

Gas Safety Engineer—Formulation and administration by a public service commission of new safety code for gas distributing utilities and pipe line companies requires services of experienced engineer who will acquire civil service status in state employment. Location in Great Lakes area. Replies confidential. **068.**

Development Engineer—Domestic heating equipment field—Rapidly expanding program in residential air conditioning offers unusual opportunity for an engineer with at least ten years' experience in development of automatic heating equipment. Write giving details of experience and training. **0669.**

Gas Engineer—Young man with engineering background and several years' experience around carburetted water gas sets. Small company in Pennsylvania anthracite field. Low living costs. Good salary. Write for appointment, giving age, education and experience. **0670.**

(Continued from preceding page)

This company put gas refrigeration in first place in 1941 and retained this position postwar until last year when the pace was broken temporarily. But it is now being restored.

To test this same sales philosophy elsewhere, a gas company of less than 60,000 meters became interested and for the past three years has doubled refrigerator sales while still retaining full prior volume of ranges and water heaters, but with a higher percent of top quality sales.

Servel is striving all out to make the finest gas refrigerator yet produced, to make it closer to competitive price than ever before and to cooperate to the fullest extent with the gas utilities in the encouragement of sales and the broadening of the market with dealer expansion—to the end that gas refrigeration may have new emphasis and achieve a market position that will attract and justify the addition of other makes of gas refrigerators. Confirmation of gas refrigeration is needed and the shortest road to a second gas refrigerator is through the success of the first one.

In this battle of the fuels we defend what we possess, the cooking and water heating load. But if the best defense is an effense than we can vigorously and successfully attack the refrigerator load which our opponent possesses.

While we are supporting and expanding dealer cooperation, we can build powerful retail operations as the only compensation economically feasible, since we can't match dollars. We can neutralize competitive advantages with creative and powerful salesmanship. And the gas refrigerator may hold the key to the development of powerful retail organizations.

The gas refrigerator can become the instrument needed to start the ball rolling. The problems of our gas industry have been analyzed until they are quite clear. The common decision for their cure seems to be expressed in this statement of one leader "There is nothing wrong with the gas industry that good sales wouldn't cure." The problem now seems to be the doing of something about what we are thinking about doing.

Could the actual start of action be centered around the refrigerator? Could we invite all who are interested to study thoroughly and without prejudice a proposed program for building powerful retail sales organizations around the successful experiences of those who are following the methods outlined here? Could we organize a movement in this way and with a pioneer group prove that it can be done, so others may be influenced to join and expand it into an industrywide crusade for victory in the battle of the fuels?

The right is on our side. If we can add might, we can win.

Gas can do the job best where heat energy is required. Why don't we fight for it—and with salesmanship open up the golden age for gas and gas service?

A.G.A. Advisory Council

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